

**State Water Resources Control Board
April 15, 2008 Board Meeting
Item 12. Executive Director's Report**

OFFICE OF ENFORCEMENT

Inter-Agency Cooperative Enforcement Workshop

The Department of Fish and Game, the Office of Enforcement, and the Los Angeles Regional Water Board have formed an inter-agency enforcement project to strengthen their enforcement programs in an area of mutual concern --- land development activities in the Los Angeles area. The goal is to lessen pollution, reduce violations, and improve protection for water resources and habitat with regard to these regulated activities.

The project was kicked-off with a one-day workshop of enforcement personnel from the three agencies on April 1, 2008. The workshop will be followed by a joint-agency field exercise and further project planning to refine investigative techniques and the criteria for selecting enforcement targets. The project is expected to be completed within one or two years from kickoff. The expectation is that several joint enforcement cases will be developed through this project.

Water Quality Enforcement Policy

The Water Quality Enforcement Policy was considered in a Board Workshop on February 20, 2008. Based on comments received at the workshop, the Office of Enforcement is substantially revising the format of the policy and will separate the proposed draft into policy and guidance sections. The Office anticipates scheduling a stakeholder meeting in May, 2008 to present the revised format and other language revisions based on comments from the workshop.

OFFICE OF WATER QUALITY DATABASE PROGRAMS

Agency Information Management Strategy: The Water Boards' Agency Information Management Strategy (AIMS) has been completed and released. You can find a copy of it at: http://www.waterboards.ca.gov/publications_forms/publications/general/docs/info_mgmt_strategy.pdf. The Water Board was asked to update this important document by the Legislature so it would reflect our current efforts with information management systems.

The revised AIMS sets out the goals and strategies we plan to implement to improve our information management systems. There are three themes that run throughout the AIMS and that are important to highlight. First is that our programs and business areas need to drive our information management

systems. Everything we do at the Water Boards, from processing permit applications to evaluating water quality data, involves the gathering and processing of information. Second is that we will have a portfolio of many different systems that we must manage together. Emphasis is placed on making sure a system meets its primary need of supporting a program or business process, but we should always keep an eye on how to make these systems function effectively together. And third is to always keep in mind that our systems must serve more than us. The public, dischargers, outside agencies, and the Legislature to mention but a few, all rely on our systems for information. We must involve them in the design and use of our systems so as to meet their information needs as well.

Director of Water Quality Database Programs: Dr. Valerie Connor has been appointed to lead the new Office of Water Quality Database Programs. Val most recently was Chief of the Regulatory Section in the Division of Water Quality, and prior to that was the Unit Chief of the Surface Water Ambient Monitoring Program (SWAMP). Val will be working with Executive management to develop the new Office and integrate it with the other Water Board Divisions and Offices.

DIVISION OF WATER QUALITY

Assembly Agricultural Committee: State Water Board and the Central Valley Regional Water Board staff participated in the Assembly Agricultural Committee's informational hearing on "Green Agriculture: Addressing Regulatory Challenges" on April 2, 2008 at the State Capitol. Staff participated in the panel entitled "What is needed to make biofuels and bioenergy a viable alternative in California?" The focus of the panel was on methane digesters. During the hearing the legislative members indicated that they wanted to understand and address the impediments to increasing the use of bioenergy and reducing greenhouse gas emissions. The Central Valley Regional Board staff mentioned that the Regional Board is preparing an EIR for a general digester permit to expedite the construction of digesters. Other panel members included representatives from Air Resources Board, California Biomass Consortium, Sustainable Conservation, Western United Dairymen and the private farming sector. Future information exchanges are anticipated to help identify the impediments and develop solutions.

Bioenergy Status Report: The State Water Board has three tasks under the State's *Bioenergy Action Plan for California*." This is a progress report on those tasks.

1. Identify clear and consistent procedures that are used to protect water quality from the harvesting of biomass and the operation of biomass facilities

Forest biomass harvesting is ancillary to timber harvest operations or fuel thinning projects. Applicable water quality protection practices are established in State Forest Practice Rules and U.S. Forest Service best management practices,

and are supplemented by Regional Water Board Basin Plans, WDRs, and waiver policies. Regional Water Board review of proposed projects concludes after the lead agency (either the Department of Forestry for private lands or the U.S. Forest Service) has approved the project. State and Regional Water Boards' staff work regularly with both agencies to improve water quality protection criteria and practices on forest lands.

Requirements on harvesting of biomass and biomass facilities, including monitoring, imposed by Regional Water Boards may vary somewhat due to the nature of the watersheds and conditions of any water body impairment.

Biomass facilities include: a) combustion facilities that burn forest biomass, mill wastes, agricultural wastes, and/or urban wood waste; b) methane collectors and digesters; and c) ethanol production facilities. Most such biomass facilities are under NPDES permits and/or WDRs. Construction and permitting delays for methane digesters occurred at dairies prior to May 2007. No problems have been identified that prevent the continued operation of biomass facilities.

2. Conduct prompt reviews of planning documents, environmental documents prepared under the California Environmental Quality Act (CEQA), and monitoring proposals for biomass harvesting and biomass facilities

Regional Water Boards participate in reviewing and permitting new biomass harvesting activities and new or expanding biomass facilities. It is expected that there will be more proposals to construct digesters at dairies, primarily in the Central Valley Region. The Central Valley Water Board has adopted WDR Orders for such digesters, including digesters that use food-processing byproducts. It is also expected that new ethanol production facilities will be proposed, and that Regional Water Boards will review and permit those facilities.

3. Work in cooperation with the Department of Forestry and Department of Food and Agriculture to ensure that adequate criteria for water protection and water quality are put in place on agricultural and forest lands in California

Any crops grown for biomass or for biofuels are under Water Board regulatory programs established for general agricultural activities. Such activities occur on both dry-farmed and irrigated lands, and historically were regulated through nonpoint source programs that emphasized best management practices. Since 2003, several Regional Water Boards have adopted agricultural regulatory programs using WDRs or waivers. It does not appear that cultivation of biomass or bioenergy crops or collection of residual agricultural biomass requires new regulatory measures.

Status of Staff Draft Construction Storm Water Permit: The revised Draft Storm Water Construction Permit was made available for public comment on March 19, 2008. Staff workshops have been scheduled for May 7, 2008 (Metropolitan Water District Headquarters in Los Angeles) and May 21, 2008 in

Sacramento. A State Board public hearing will follow on June 4, 2008 in Sacramento.

Status of Draft CalTrans Storm Water Permit: In November, staff sent the draft statewide MS4 permit for Caltrans to the Regional Boards for comments. Regional Board comments, including Region-specific requirements, are now being incorporated into the permit. Staff anticipates posting the permit for public comment in May 2008.

Status of Development of Once-Through Cooling [316(b)] Policy: A scoping document was released on March 21, 2008, to allow the public to review and comment on the preliminary proposal for a statewide policy to implement Section 316(b) of the Clean Water Act regarding the use of once-through cooling water at power plants. (This document may be found at: http://www.waterboards.ca.gov/water_issues/programs/npdes/cwa316.shtml#otc). Two CEQA scoping meetings are being scheduled for May 8 and May 13, 2008 at southern and northern California locations.

Sediment Quality Objectives: On February 29, 2008 staff submitted to the Office of Administrative Law the administrative record for the recently adopted Enclosed Bays and Estuaries Plan, Part 1, Sediment Quality. This was in compliance with the court order (Superior Court, County of Sacramento) and settlement agreement with San Francisco BayKeeper and Bill Jennings, which required that the "State Water Board shall adopt and submit to OAL all Phase I sediment quality objectives and related implementation policies by February 29, 2008."

Clean Beaches Coordinator: The Division of Water Quality has appointed Eric Berntsen as the Clean Beaches Coordinator. Eric comes to this position from the Industrial/Construction Storm Water Unit where he has had extensive experience with the stakeholder process with an emphasis on finding solutions to identified problems.

Agricultural Regulatory Program Update Report

This month's Irrigated Agricultural Regulatory Program (Ag Waiver Program) report will provide an update of activities of the Central Coast, Los Angeles, Colorado River Basin, and San Diego Regional Water Quality Control Board programs. Future monthly reports will alternate between the status of the Ag Waiver Program at the Central Valley Water Board and at other Regional Water Boards. The Spanish translation of this report can be found at: http://www.waterboards.ca.gov/water_issues/programs/agriculture/docs/monthly_reports_spanish.pdf.

CENTRAL COAST AGRICULTURAL REGULATORY PROGRAM

Presentations and Outreach

Ag program staff presented an overview of the program at the Agriculture and the Environment Conference hosted by the Agricultural Water Quality Alliance at Asilomar in November. In mid-November, staff participated as a member of the Food Safety and the Environment panel discussion at the California Water Policy Convention held in Los Angeles and hosted by Public Officials for Water and Environmental Reform. In January, staff spoke at both a pre-conference training and conference break-out session on Food Safety and Water Quality as part of the Ecological Farming conference at Asilomar.

Food Safety

Federal Marketing Agreement

Agricultural program staff has continued involvement in food safety issues that have the potential to affect water quality. Recently, staff responded to a call for comments on a federally proposed rulemaking that would establish a federal marketing program with food safety standards set for leafy greens on a national level. In their letter to the USDA, Central Coast staff requested that public NEPA review, an administrative committee inclusive of wildlife and water quality representation, cross-disciplinary peer review and a ceiling on management practice requirements be included in any federal marketing program to help avoid conflicts, like we are seeing in California, with existing water quality and wildlife regulations.

Buyer's Meeting

On another food safety front, staff attended a much anticipated buyers' meeting held in Salinas on December 10, 2007. This meeting was organized by the California Roundtable for Agriculture and the Environment (CRAE) and included buyers, growers and shippers of lettuce and leafy greens in the Salinas Valley and members of the environmental and regulatory communities. This meeting was an important first step in creating dialogue between the handlers and other parties involved in the food safety issues in the Central Coast region. What was most apparent from this meeting is that all parties are frustrated with food safety metrics that go above and beyond the California Leafy Greens Marketing Agreement and associated Good Agricultural Practices. Most parties want to see a standardized set of requirements that put an end to the market driven "one-upmanship" between competing handlers of leafy greens. It remains to be seen if a federal marketing agreement would do this. It was also apparent from this meeting that communication with the large retail buyers needs to occur.

Cooperative Monitoring Program

Central Coast Water Quality Preservation, Inc. submitted a proposal for 2008 follow-up monitoring, to do upstream monitoring in several watersheds. They will also submit a proposal for education and outreach and summer flow monitoring in several watersheds to focus on tailwater reduction. Follow-up projects are

funded by regular program fees and by a Proposition 40 grant and are a mandatory component of the Cooperative Monitoring Program established by the Conditional Waiver.

Inspections

The agriculture regulatory program is relatively new at the Water Boards. Previously, irrigated farming operations were not regularly inspected by Water Board staff. In developing a comprehensive agricultural inspection program, staff met with several growers, as well as representatives of National Resource Conservation Service, UC Cooperative Extension, water agencies, resource conservation districts, agricultural consultants, county agricultural commissioners, and county farm bureaus, to become familiar with cropping systems and agricultural management measures that can be implemented to protect water quality in the Central Coast.

Staff began conducting inspections in September 2007. A goal was established of completing a minimum of 120 inspections by January 2009; a combination of random inspections and ones in response to complaints and water quality concerns. The random inspections are intended to give staff an overall picture of the level and effectiveness of the agricultural waiver program. Staff is conducting random inspections throughout the region. However, to date most inspections have been in response to complaints or identified problems. Staff completed approximately 25 inspections as of mid-January 2008.

Solving Water Quality Problems on a Watershed Scale

Many Central Coast watersheds have multiple water quality problems, and data suggest that there are often multiple contributors to the problems. Staff is exploring the effectiveness of using inspections as part of a watershed-scale, problem-solving approach, beginning with a watershed in Monterey County where the land use is predominantly irrigated agriculture. This watershed was selected based on complaints as well as known toxicity and nitrate exceedances. Concentrations of the pesticides diazinon and chlorpyrifos have been detected in the water column above the limits for fresh water aquatic life protection. Analysis of pesticide use records in the watershed indicated that chlorpyrifos was primarily being applied to broccoli. Sprinkler irrigation of broccoli contributes to tailwater discharges from irrigated fields into the drainages of the creek. Growers are reluctant to produce summer broccoli crops on drip because of economic and other production concerns. Staff conducted inspections at all farming operations in the watershed; in addition, staff attended meetings with the local farm bureau, County Public Works, the Cooperative Monitoring Program, and growers in the watershed. As a result, one grower in the watershed has initiated a trial drip irrigated broccoli crop for the 2008 season and the County and growers have agreed to work toward coordinated maintenance of the ditch and adjacent lands to address sediment and erosion issues.

Staff will continue to track progress and if this approach proves effective in solving problems, it will be expanded to other watersheds in the near future. At the same time, where an individual is identified as causing problems without adequate attempts to address them, staff will pursue individual enforcement actions as warranted.

Enforcement Actions

Central Coast staff is continuing enforcement actions against farming operations that have not enrolled in the Conditional Waiver for Irrigated Lands. The Assistant Executive Officer issued five administrative civil liability complaints in December. Additional complaints will be issued in January in an effort to ensure that all commercial irrigated farming operations are enrolling. Staff will also issue complaints to Cooperative Monitoring Program participants that do not pay their fees for cooperative monitoring.

LOS ANGELES REGION CONDITIONAL WAIVER FOR IRRIGATED LANDS

The California Regional Water Quality Control Board Los Angeles Region (Regional Board) adopted a Conditional Waiver of Waste Discharge Requirements for Discharges from Irrigated Lands (Order No. R4-2005-0080) on November 3, 2005. The objectives of the program are to monitor the water quality effects, and, if required, mitigate those impacts from runoff from irrigated agriculture facilities in the coastal watersheds of Los Angeles and Ventura Counties. Currently, 75 percent of the irrigated acreage in the Region is enrolled in the Conditional Waiver program. On November 15, 2007, the Regional Board sent notices of violation to approximately 400 growers who had not yet enrolled in the Conditional Waiver program. The notices of violation generated positive feedback from the stakeholder community and approximately 12,000 additional acres were enrolled in the Conditional Waiver program. In addition, growers in the Los Angeles Region completed a combined total of 11,187 hours of required water quality education.

The Los Angeles Region Conditional Waiver program requires agriculture dischargers to conduct water quality monitoring. Currently, monitoring is done on a group basis for constituents such as, nutrients, pesticides, salts, and toxicity; there are 37 monitoring sites located in agricultural areas throughout the Region. The discharger monitoring groups submitted the first annual monitoring reports to the Regional Board in February 2008 for Ventura and Los Angeles Counties. The next step of the Conditional Waiver for Irrigated Lands Program will be to work with discharger groups and growers to develop Agriculture Water Quality Management Plans targeted to reduce pollutant loads to surface waters.

For additional information on the Los Angeles Region Conditional Waiver for Irrigated Lands, please contact Rebecca Veiga Nascimento at (213) 576-6784 or rveiga@waterboards.ca.gov

COLORADO RIVER BASIN REGION IRRIGATED LANDS REGULATORY PROGRAM REPORT

Introduction

The Imperial Valley portion of the Salton Sea Transboundary Watershed has been targeted for the purposes of watershed management, including the development and implementation of Total Maximum Daily Loads (TMDLs) and implementation of the state nonpoint source management program plan. Priority water quality issues in the region include management of sedimentation of the New and Alamo Rivers and the Imperial Valley Drains.

To address these water quality issues, the state of California has awarded grant funds to the Imperial Irrigation District and the Imperial County Farm Bureau to implement monitoring and public outreach programs. The progress of these two projects is reported to the Colorado River Basin Regional Board quarterly.

Background

The Imperial Valley receives more than 2.5 million acre-feet of Colorado River water every year to irrigate approximately 478,000 acres of farmland. The runoff that leaves these fields is collected in an agricultural drainage system consisting of 1,450 miles of surface drains, the Alamo River, the New River, and the Salton Sea. This drainage system is responsible for collecting the surface runoff and subsurface drain flows from agricultural operations, storm water flows, municipal wastewater treatment plant effluent, industrial discharges, and the highly contaminated water that comes from the Mexican portion of the New River.

Section 303(d) of the Clean Water Act identifies the water quality of the Alamo River, New River, Imperial Valley agricultural drains, and Salton Sea as being impaired. These impairments are due to elevated levels of one or more constituents that do not support the designated beneficial uses that the Regional Board has identified for these water bodies. Alamo River impairments include suspended silt, pesticides, and selenium. New River impairments include suspended silt, pesticides, nutrients, and several other impairments that are discharged from a combination of industrial point sources, wastewater, and out-of-state sources. Imperial Valley agricultural drain impairments include suspended silt, pesticides, and selenium. Salton Sea impairments include nutrients and salinity.

Pursuant to Section 303(d) of the Clean Water Act, the Regional Board approved a Siltation/Sedimentation TMDL for the Alamo River in 2001. The TMDL was developed because sediment concentrations in the river violate the water quality standards established by the Regional Board to protect the beneficial uses of the river. The Implementation Plan of the TMDL identifies the monitoring and tracking of the pollutants of concern to determine compliance with the TMDL.

Imperial County Farm Bureau (ICFB)

ICFB's TMDL Voluntary Compliance Program (Program) is currently funded primarily by Clean Water Act 319(h) monies with local matching funds.

The primary goal of the Program is continued reduction of silt, and other TMDL constituents, being transported from agricultural fields into the Imperial Valley drainage system. Using previously awarded 205(j) and 319(h) grants, the ICFB has been facilitating this Program by enlisting the practical knowledge of its growers to develop realistic water quality goals and devise workable Farm Water Quality Management Plans. The very large (478,000 farmable acres) drainage system has been divided into ten sub-regions (drainsheds) that are of a workable size and can be hydrologically isolated. The drainshed working groups meet periodically to combine individual efforts and to share experiences with Best Management Practices (BMPs) and other aspects of good water quality stewardship.

The Program focuses on the implementation of on-farm BMPs within each drainshed through technical assistance to growers and participation within the drainshed working groups, as guided by the TMDL process. In order to achieve and maintain widespread cooperation of individual growers, it is imperative to actively encourage the use of BMPs through the Voluntary TMDL Compliance Program's outreach efforts. The Program also seeks to demonstrate the effectiveness of recommended practices, and to facilitate the implementation of BMPs by providing training and on-farm consultation services.

Between October 1, 2007 and December 31, 2007, the ICFB met several quarterly objectives of the Voluntary TMDL Compliance Program:

- Promoted the program using various media sources
- Compiled a list of farmers/growers who failed to update their required Farm Water Quality Plans. ICFB contacted each one and all updates were completed
- The On-Farm Consultant visited twelve farmers/growers to assess the field conditions and offered suggestions on how to improve problem erosion areas on their fields. In addition, the consultant monitored drain maintenance activities
- A series of telephone consultations for local farmers/growers were conducted by the On-Farm Consultant
- ICFB met with the Imperial Irrigation District and the Regional Board staff to continue discussing drain maintenance issues affecting the TMDL program
- One report was added to the ICFB's TMDL website, providing Program participants with information on upcoming events and new regulations
- The ICFB also maintains a database of farmers/growers participating in the TMDL Program. Parameters include participant names, addresses, field location, crop type, and BMP activity (in-use and planned).

Imperial Irrigation District (IID)

As part of the Drain Water Quality Improvement Plan, IID monitors the Imperial Valley Drains monthly at various sites for a variety of constituents, including flow in acre-feet. Water samples were analyzed by an outside laboratory and analytical results were input into an Excel spreadsheet.

The overall objective of this project is to obtain valid data of known and documented quality, which can be utilized in determining the compliance with the water quality objectives as set forth in the Alamo River Sediment TMDLs.

The project consists of monthly and quarterly sampling events, in which water samples will be collected and field measurements taken at 14 sampling stations.

SAN DIEGO WATER BOARD IRRIGATED LANDS REGULATORY PROGRAM

San Diego County Farm Bureau (SDCFB) has adopted a workplan to form a region-wide monitoring group. Mr. Eric Larson, Executive Director of the SDCFB, reported that the SDCFB's Board of Directors recently adopted a detailed workplan for putting in place a region-wide agricultural monitoring group in time to submit a Notice of Intent (NOI) to the San Diego Water Board by the deadline of December 31, 2010. Submittal of an NOI, either as part of a monitoring group or as an individual grower, is required of growers by a condition of the new waiver for irrigated agricultural discharges. All growers who elect to join the monitoring group would be covered by the SDCFB's NOI. The SDCFB has also communicated with the Riverside and Orange County Farm Bureaus to inform them that there will be growers in those counties who may wish to be included in the SDCFB NOI. Mr. Larson stated that, to date, the Riverside and Orange County Farm Bureaus are supporting the SDCFB's work on this issue. In brief, the year by year workplan tasks are:

2008

- Study existing monitoring group structures in California
- Choose best case models
- Select legal and professional consultants for recommendations on group structure
- Submit organizational alternatives to SDCFB board for consideration
- Select organizational structure

2009

- Create monitoring group as a legal entity and organize
- Begin first phase of education for grower community
- Solicit RFP's from firms qualified to do monitoring and reporting
- Select firm
- Set fee structure for participants
- Develop recruitment material

2010

- Recruit monitoring group participants
- Submit NOI to San Diego Water Board

In addition to the workplan for the monitoring group and NOI, the SDCFB has talked to the University of California Cooperative Extension Service about how SDCFB can help growers meet the waiver's educational land record keeping requirements this year. San Diego Water Board appreciates and commends the SDCFB for its proactive work on timely compliance with the conditions of the new waiver for irrigated agricultural discharges.

DIVISION OF WATER RIGHTS

Policy Development

Draft AB 2121 Policy: On December 28, 2007, the Division of Water Rights released a draft Policy for Maintaining Instream Flows in Northern California Coastal Streams (draft policy). The public comment period ends at noon on May 1, 2008.

Staff continues to meet with stakeholders, including the State Farm Bureau and Mendocino County Farm Bureau to clarify various elements of the draft policy. On March 19, 2008, Sonoma County vineyard owners and Trout Unlimited announced a "Water and Wine" program to respond to the draft policy components. Division staff has tentatively scheduled a meeting on April 15 with the Salmon Coalition to discuss the watershed approach described in the draft policy.

The draft policy has been peer-reviewed as required by the Health and Safety Code. Peer review comments are posted on the State Water Board's AB 2121 policy web page. A "Frequently Asked Questions" document will be posted on the same web page on Friday, April 11. Interested persons will be notified of its availability via the Lyris email subscription service.

Water Right Enforcement

Redwood Terrace Mutual Water System (Redwood)

On January 19, 2007, the Division of Water Rights (Division) canceled Redwood's application to appropriate water by permit for failure to diligently pursue processing of the application. After field investigation, Division staff determined that Redwood has no basis of right to divert water from San Gregorio Creek in San Mateo County from November 1 of each year to May 31 of the succeeding year. On October 30, 2007, the Division issued a Notice of Cease and Desist Order (CDO) against Redwood. Following Redwood's request for hearing, the Division's prosecution team and Redwood engaged in settlement

discussions and reached a mutually acceptable agreement on CDO language. The general terms of the settlement are as follows: In exchange for the prosecution team issuing the revised CDO, Redwood will (1) revoke its request for a hearing, (2) agree not to challenge the issuance of the revised CDO, and (3) comply with the terms of the revised CDO.

By memorandum dated April 8, 2008, the Assistant Deputy Director for Water Rights requested the State Water Board Executive Director to issue an order approving the settlement agreement.

eWRIMS Enhancements

On April 8, 2008, the Divisions of Water Rights and Information Technology deployed enhancements to the electronic Water Rights Information System (eWRIMS) that is available online to the public. Enhancement to the online database and associated Geographical Information System (GIS) include:

- Public users can now export from the database to an Excel spreadsheet the GIS point of diversion location public land survey information.
- A new GIS filtering tool for Point of Diversion (POD) status is available, allowing a user to filter by water right status and by POD status. This allows the user to display only active PODs. Previously the system showed both active and inactive PODs.
- A new GIS function enables a user to zoom to any public land survey location even if a water right POD is not present.
- A new GIS soil map layer has been added.
- Additional GIS help information has been added to identify search criteria being displayed.

Additional enhancements to the Core Application were made to provide staff with the ability to query the database to determine the effect of different fee scenarios and to provide better coordination with the Board of Equalization.

Fee Stakeholders Meeting

On May 1, 2008, State Water Board staff will hold a meeting of the Water Right Fee Stakeholders. The purpose of the meeting is to update the stakeholders on the current status of the Water Right Fund and to discuss the proposed fee schedule for Fiscal Year 2008-2009. Staff will also present alternative methods of fee allocation.

OFFICE OF RESEARCH, PLANNING AND PERFORMANCE

Water Board Climate Change Activities: The Water Boards submitted to the Air Resources Board in mid-March, specific measures to reduce greenhouse gas emissions for possible inclusion in the Scoping Plan, required by AB 32 by January 2009. These measures are currently being modeled by the ARB to quantify potential emission reductions and associated costs. At the May 20, 2008 State Water Board meeting, the staff will present a more comprehensive update on the status of the Water Board's Climate Action Team initiatives as well as suggested adaptation strategies. Staff is continuing to update, for presentation to the State Water Board, the 2005 Sustainability resolution to specifically incorporate climate change and low impact development concepts.

Strategic Plan: Staff continues to evaluate comments on the draft Strategic Plan Update 2008-2012, that were received during the public comment period which ran through February 15. A revision containing suggested changes is being planned for release in early May.

Water Board Training Academy: Our Training Academy continues to provide needed high quality courses. Upcoming highlights include:

Upcoming	Field Sampling for SWAMP - The Academy is providing funding and logistic support for a new series of one-day classes for samplers. The course covers health and safety issues and procedures to avoid transportation of invasive species. The next course is being offered on April 16 with future dates to be announced.
	CEQA for Certified Regulatory Programs – This two and a half-day course is scheduled for April 21, 22, and 23 and requires registrants to have either good working knowledge of CEQA or have attended the Basic CEQA course prior to attending this more advanced course. When the State or a Regional Water Board adopts, a Basin Plan or a Basin Plan amendment, including adoption of a Total Maximum Daily Load (TMDL), it is acting as a “Certified Regulatory Program” under the California Environmental Quality Act (CEQA). This training explains how to ensure compliance with CEQA and coordinate the requirements of the CEQA process with our Basin Planning process.
	Water Education Workshop for State and Regional Water Board Members – This workshop, on April 21 and 22, will provide valuable information on many water related topics (which should be especially helpful for new Board members) and provide an opportunity for interaction among board members through panel led discussions.

	<p>Water Quality Standards Academy - The Academy is partnering with USEPA to offer their five-day class in Santa Rosa this May 12–16. The course has been modified to include California-specific topics, examples and instructors. The Water Board has 60 seats in the full, five-day class PLUS an additional 40 seats for the first day and half which has been designed for managers and staff who cannot attend the entire week.</p>
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Academy Leadership Program Class of 2008 – 2009: The Water Board Leadership Steering Committee has designed a slightly modified version of the UC Davis Executive Leadership program, which will be offered beginning in April 2008. A class of 30 participants from throughout the State and Regional Boards has been selected for this year’s program. The program consists of nine classes, two workshops and opportunities for one-on-one coaching. The program hopes to build on the success of a similar program held previously at the Central Coast Regional Board and one currently being offered for the Division of Water Rights.

DIVISION OF FINANCIAL ASSISTANCE

Proposition 84 Storm Water Grant Program Scoping Meetings – February 25, March 3, and March 10, 2008

In February and March 2008, State Water Board staff held three scoping meetings with interested stakeholders to solicit input on the Proposition 84 Storm Water Grant Program (SWGP). Meetings were held in Sacramento (February 25), San Luis Obispo (March 3), and Los Angeles (March 10). Feedback received at the meetings is available on the Proposition 84 SWGP webpage, and will be provided to the Assembly Bill 739 (Statutes 2007, Chapter 610, Laird) Storm Water Advisory Task Force (SWATF).

Proposition 84 Areas of Special Biological Significance (ASBS) Task Force Meetings – February 22 and March 31, 2008

In February and March 2008, State Water Board staff held ASBS Task Force meetings. The purpose of the meetings was to discuss Task Force members’ roles and responsibilities, and discuss program Guidelines. Task Force members will be reviewing Concept Proposals in May 2008.

Ventura County IRWM Program Check Ceremony & Simi Valley Tapo Canyon Ribbon Cutting Ceremony – March 20, 2008

On March 20, 2008, State Water Board staff attended a check presentation ceremony for the County of Ventura’s \$25 million grant from the Proposition 50 Integrated Regional Water Management (IRWM) Program. The \$25 million grant will be used for the implementation of eleven projects countywide under the Watersheds Coalition of Ventura County IRWM Plan. The check was presented by Chief Deputy Director to the State Water Board, Mr. Jonathan Bishop, to the County of Ventura at one of the eleven project sites, the Tapo Canyon Water

Treatment Plant in Simi Valley. Also participating and in attendance at the event were elected officials from County, City, and Special District Government, local media representatives, and members from the public. The event was held in conjunction with a groundbreaking ceremony for the Tapo Canyon Water Treatment Plant Project.

Federal 319(h) Nonpoint Source Grant Program Review Meeting – March 25, 2008

On March 25, 2008, State Water Board staff hosted a technical review meeting to discuss proposals and develop a recommended funding list for the federal 319(h) Nonpoint Source Grant Program. Technical reviewers included scientists and engineers from the State Water Board, Regional Water Board, and U.S. Environmental Protection Agency.

Storm Water Advisory Task Force Meeting – April 7, 2008

The first Storm Water Advisory Task Force meeting was held on April 7, 2008, at the Cal/EPA Building. Assembly Bill (AB) 739 (Statutes 2007, Chapter 610) lays out several requirements for the State Water Board's Proposition 84 SWGP and the Storm Water Regulatory Program. One provision of AB 739 required the State Water Board to appoint a task force, comprised of representatives with expertise in water quality and storm water management. Fifteen SWATF members from public agencies, the regulated community, nonprofit organizations, and industry were appointed by the State Water Board at the February 19, 2008 meeting, and the first SWATF meeting was held on April 7, 2008. SWATF is to provide advice to the State Water Board regarding the development of: (1) project selection and evaluation guidelines for the SWGP, and (2) a comprehensive guidance document for evaluating the effectiveness of Municipal Storm Water Management Programs. The task force may also provide advice to the State Water Board on program priorities and interagency coordination of state programs that address storm water management. During the first SWATF meeting, State Water Board staff presented background information regarding the storm water funding and regulatory programs, and SWATF roles, responsibilities, timelines, and expectations were discussed. SWATF members also engaged in an initial discussion regarding potential program priorities. The next SWATF meeting is scheduled for June 16, 2008.

Division Approvals:

The following Preliminary Loan/Grant Commitments were approved from February 11, 2008 through April 8, 2008 by the Deputy Director of DFA.

State Revolving Fund Loan

Entity	Preliminary Loan Commitment	Project	Approved
City Of Grass Valley	\$3,960,000	Wastewater Treatment Plant Upgrade For Denitrification And Ultraviolet Disinfection Facilities Project	3-14-08

Clean Beaches Grant

Entity	Preliminary Funding Commitment	Project	Approved
City Of Imperial Beach	\$ 1,324,784	Tijuana River Bacteria Source Identification Study	2-28-08

Water Recycling Grant/Loan

Entity	Preliminary Funding Commitment	Project	Approved
Lake Arrowhead Community Services District	\$2,509,380	Recycled Water Phase I Project	2-22-08
City Of Hayward	\$75,000	Recycled Water Facilities Planning Study	4-2-08

Cleanup and Abatement Account

Entity	Funding	Project	Approved
Division of Water Quality Contract	\$50,000	Irrigated Lands Monitoring and Report Review Project	1-29-08

DIVISION OF ADMINISTRATIVE SERVICES

2008/2009 BUDGET

The budget hearings for the Water Boards have been scheduled as follows:

- Assembly hearing scheduled for Wednesday April 23rd on our overall budget.
- Assembly hearing scheduled for Wednesday April 30th on Climate Change.
- Senate hearing scheduled for Monday April 14th on CalFed.
- Senate hearing scheduled for Monday May 12th on our overall budget.

The items for discussion are expected to include:

- General Fund reduction. The Governor's budget proposes a 10% reduction across all general fund programs.
- CIWQS and our Agency Information Management Strategy (AIMS). We have a BCP for two additional staff and \$300,000 to help implement CIWQS. The Legislative Analysts Office (LAO) recommends denying this BCP because we had not completed our AIMS. We have now completed the AIMS as requested by the LAO.
- The LAO proposes a new broad based fee to replace all of our general fund support for water quality management. We have no position on this proposal.
- The LAO is concerned about State Board oversight of Supplemental Environmental Projects and the Regional Board use of SEPs. The concern stems from the lack of statewide tracking of SEPs, the high use of SEPs by the regions, the use of Trust Funds for SEPs, and the reduced funding for Clean Up and Abatement. The LAO recommends legislation to increase oversight of SEPs.
- Groundwater quality discussion that includes the Department of Public Health. This is a follow-up to last year's discussion that focused on Regions 5, and 3 drinking water degradation.
- Enforcement related activities and need for improved data reporting on all penalties including SEPs.

Collection of Delinquent Fees

The Division of Administrative Services (DAS) is in the process of awarding a competitively bid performance based contract to Fidelity Creditor Service, Inc., a California-based private collection agency, to assist the Water Board in collecting past due water quality fees and possibly other past due receivables.

The Division presently collects more than 97 percent of assessed water quality fees through internal efforts (DAS' internal collection efforts include sending an invoice, then demand for payment letters, and in most cases, follow-up phone calls and/or administrative termination of the permit for non-payment. DAS' internal efforts usually take six to 12 months to complete. The last three percent,

however, translates into \$1.5 million to \$2 million in annual outstanding receivables, a significant sum of money that is very time-consuming to collect. DAS refers a portion of this remaining amount to the Attorney General's Office (AG) for collection, but the AG will not take anything below \$4,000. The AG is also not interested in pursuing the Water Board's older debt (typically anything older than three years).

To close this collections gap, DAS intends to use a private collection firm to collect those past due receivables that it does not collect through internal efforts and that the AG will not take because of their size or age. Fidelity will be paid 12.9 percent of the actual amount it collects for the Water Board. Receivables not collected by Fidelity will likely be discharged through the State Controller's Office. The amount of debt placed with Fidelity is expected to vary between \$500,000 and \$1,000,000 annually, with a significant one-time placement of older debt.

Fidelity has been a leading California-based collection agency since 1964. It is a professional, full-service collection agency with an excellent Better Business Bureau company rating and strong recommendations from other California state and local agencies, including the Department of Consumer Affairs – Respiratory Care Board of California, California Department of Corrections, and the County of San Bernardino Housing Authority. Fidelity offers collection services for a wide range of clients, including state and local governments, financial institutions, commercial organizations, law offices, retail businesses, medical and dental clinics, and property management and real estate companies.

This contract is pending approval from the Department of Finance and the Department of General Services. Once approved, we expect to begin using the collection agency in June.