

Proposed Attachment B

- Originally submitted into record in March & May 2011
- Logical Outgrowth of December 2010 Ag Proposal
- Revised to fit within Draft Order Format
- Simplifies some Requirements, Clarifies Others
- Clarifies Accountability

Third Party Group Terms & Conditions

For the Participants:

- Identify risks of operation for four categories: toxicity in irrigation runoff, toxicity & sediment in storm water, nutrients in irrigation runoff, nitrate leaching to groundwater
- Implement Management Practices for medium & high risk determinations
- Be subject to audit evaluation
- Amend Farm Plan and implement management practices based on audit
- Be subject to termination if fail to amend Farm Plan and implement management practices

Enhanced Farm Plans Irrigation Management Practices Pesticide Management Practices Sediment Management Practices Nutrient Management Practices

Third Party Group Terms & Conditions

For the Third Party Group:

- Submit Notice of Intent
- Notice of Applicability (NOA) must be issued by Executive Officer
- Within 6 months of receipt of NOA submit General Report outlining process & priorities for audits
- Audit all participants within term of Order
- Submit Annual Reports to RWQCB
- Report Participant Terminations to RWQCB for those not implementing management practices in good faith

Other Third Party Group Functions

- Establish Technical Advisory Committee (TAC)
 - Professionals, Technical Experts, Limited # of Growers
 - Assist in Developing Audit Process
 - Work with Participants to provide technical services.
 - Assist Participants in updating Farm Plans and implementing BMPs
 - Collaborate with Research Community



Other Third Party Group Functions

- •Establish Public Advisory Committee (PAC)
 - •Could Include State Agencies, Local Agencies, Public, Ag
 - •Review Annual Aggregate Reports & Make Recommendations
- •Collective Treatment Systems
- •Conduct Educational Workshops for Participants

Annual Report Elements

- Names of Participants in good standing
- Number of operations audited in that 12-month period
- ID watersheds and/or sub-watersheds where audits were conducted
- · Aggregated summary of audit results
- General summary of assistance provided to Participants
- Summary of any educational workshops conducted and who attended
- Summary of any other activities conducted by third party group towards the improvement of water quality



Groundwater Assessment, Monitoring & Reporting Provisions

- Goals:
 - Assess Status of Groundwater Quality and Associated Beneficial Uses
 - Provide Feedback to Growers in Areas of Concern



Addressing Groundwater Goals

- Establish Cooperative Monitoring Program for Groundwater
- Dischargers Would Elect to Participate (i.e., similar to surface water cooperative monitoring program)
- Coordinate with Existing Groundwater Monitoring Programs (e.g., local, DPR)

Addressing Groundwater Goals

- Develop Workplan for Assessment & Monitoring
 - Use Existing Well Information To Extent Feasible
 - Identify Additional Monitoring Sites In Agricultural Groundwater Basins
 - Develop Monitoring Plan & QAPP
 - Timeline for Data Collection, Assessment & Submittal of Final Report

Addressing Groundwater Goals • Final Report • Include Characterization/Assessment of Groundwater • Include copies of all laboratory data collected • Identify wells sampled by section, township, and range • Due Within 5 years of Order Adoption

Complies with Porter-Cologne

- Includes conditions on Participants & 3rd Party Groups
- Includes monitoring of Management Practice Implementation
- Maintains Surface Water Monitoring Program
- Includes Reporting Requirements for 3rd Party
- Focuses on compliance through implementation of management practices
- Requires implementation of management practices, with assistance to operators



Includes Accountability

- Third Party group(s) must be approved
- Third Party must submit General Report for approval
- Third Party must submit Annual Reports
- Third Party must terminate participants not acting in good faith
- Third Party may be terminated for failing to meet requirements
- Third Party must audit all participants.



Why Better Than Draft Order...

- Provides for actual review of all Participating operations v. random RWQCB inspections
- 2) Requires implementation of management practices to be in 3rd Party Group v. paper reporting to RWQCB
- Provides assistance & resources to operations that need assistance v. immediate enforcement action
- 4) 3rd Party Group likely to have more credibility with Participants v. RWQCB as the regulator
- 5) Outcome is water quality improvement v. prescriptive regulatory program



Why Better Than Draft Order

Cost of Compliance with Staff Order*

Tier 1: \$4.66/acre - \$98.97/acre Tier 2: \$23.74/acre to \$231.19/acre Tier 3: \$73.11/acre to \$620.55/acre

Bottom Line Third Party Group Coalition Annual Costs:

Participation in Coalition: \$6.94/acre - \$11.79/acre, depending on participation level and based on a per-acre average cost, at 50-85% enrollment. Audit Cost as a Coalition Requirement: \$5.00 per acre in the on the farm(s) audited in the year of that audit.

*Per Acre Cost Ranges for Growers with High Nitrate Crops, based upon "Economic and Cost Analysis of the Proposed Ag Waiver and Ag Alternative" (Barbeau/Mercer), submitted August 1, 2011.

Recommendations

- Use the next six months before the current order expires to work with Dr. Los Huertos and the agriculture and conservation/scientific communities on this option in order to:
 - Further Incorporate 3rd Party/Coalition Alternative As Proposed, Including:
 - Alternative to Tier 2 & Tier 3 Requirements
 - Alternative to Individual Edge-of-Farm Monitoring
 - Alternative to Individual Groundwater Monitoring
 - · Accountability Through Audits & Aggregate Reporting