

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

**STAFF REPORT FOR REGULAR MEETING OF OCTOBER 22, 2004**

Prepared on September 28, 2004

**ITEM NUMBER: 23**

**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. The Regulation Summary has been dropped from this report. The Regulation Summary information is still tracked by the various state and regional board program managers, but compiling the information as a routine component of the Executive Officer's report did not seem to be the best use of staff time.

**WATER QUALITY CERTIFICATIONS**

[Sandy Cheek 805/542-4633]

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 August 1, 2004 to August 31, 2004.

**WATER QUALITY CERTIFICATION APPLICATIONS RECEIVED FROM AUGUST 1, 2004 THROUGH AUGUST 31, 2004**

County	Date Received	Applicant	Project Description	Receiving Water	Project Location	Action Taken
San Luis Obispo	August 2, 2004	Terry Speizer, Domaine Alfred Winery	Domaine Alfred Winery Culvert Extension	Canada Verde Creek, tributary to Pismo Creek	San Luis Obispo	Complete
San Benito	August 2, 2004	San Benito County Public Works Department	Cienega Road realignment, Bird Creek crossing	Bird Creek	Hollister	Complete
Santa Barbara	August 2, 2004	Jennifer Metz, UCSB Office of Campus Planning and Design	UCSB Storke Campus sewer line repair	Storke Wetland	Goleta	Complete
Santa Barbara	August 11, 2004	Stephen A. Greig, Venoco Inc.	Venoco Pier 421-1 repair	Pacific Ocean	Goleta	Complete
Santa Barbara	August 16, 2004	City of Santa Barbara Parks and Recreation Department	Arroyo Burro Estuary Restoration Project	Arroyo Burro Estuary and Mesa Creek	Santa Barbara	Complete
San Luis Obispo	August 23, 2004	Land Conservancy of San Luis Obispo County	Santa Rosa Creek Trail and Stream Bank Restoration Project	Santa Rosa Creek	Cambria	Complete
San Benito County	August 23, 2004	Tina Bertuccio	Paicines Quarry	Tres Pinos Creek	Hollister	Complete

## Watershed Reports

### Duke Energy Moss Landing Power Plant Mitigation [Michael Thomas 805/542-4623]

In October 2000, the Regional Board adopted an NPDES permit for the Moss Landing Power Plant, which included requirements for a Habitat Enhancement Plan. Duke Energy provided \$7 million to fund the Habitat Enhancement Plan, which is managed by the Elkhorn Slough Foundation (ESF). Within the first two years, ESF leveraged the initial \$7 million into approximately \$21 million. These funds are then leveraged again on specific projects as other donors are solicited to help with funding. In practice, ESF submits proposals for conservation and restoration projects to the Executive Officer for approval. The projects are ranked according to criteria developed by an independent advisory panel. The advisory panel includes agency staff, environmental groups, and independent scientists familiar with the Elkhorn Slough ecosystem.

The following are some highlights of the work done by ESF as the manager of the Habitat Enhancement Plan:

1. The mitigation funds have been leveraged at a ratio of 7:1 so far on the projects implemented.
2. With the most recent proposed project (discussed below) ESF will have acquired or protected about 2000 acres in twelve (12) transactions at a cost of \$12 million.
3. ESF has initiated restoration on 350 acres of degraded uplands adjoining the slough and its tributaries, and prevented thousands of tons of sediment from entering the slough waterways.
4. With the anticipated acquisition of the Sea Mist Farms property in December 2004, ESF will have obtained 390 acres of restorable wetlands. Wetland restoration is underway on lands adjoining Sea Mist, through the efforts of the Moss Landing Marine Laboratories. Regional Board staff will provide updates on the progress of this wetland restoration effort.

The most recent ESF proposal (September 2004) is to purchase the Renteria property, totaling approximately 100 acres of uplands with 17 acres of unstable, eroding fields, for a total cost of \$804,000. ESF describes the property as "a linchpin that connects 700 acres of Foundation lands with a contiguous block of 3,800 acres of

protected lands along the Slough." The Renteria property is the last remaining gap in what will be a continuous corridor of protected lands stretching nine miles along the Slough from Monterey Bay to lower Carneros Creek.

### City of Hollister - Long-Term Wastewater Management Plan [Matthew Keeling 805/549-3685]

#### **Funding**

An August 19, 2004 article in the Pinnacle raised some questions regarding available funds for implementation of the City of Hollister's Long-term Wastewater Management Plan (LTWMP). Information that staff provided to the Board on September 10, 2004, clarified inconsistencies in the article, but prompted additional questions and concerns regarding the City's available funds and ability to implement the LTWMP.

Information from the City (September 3, 2004) indicates that approximately \$15 million is available for the LTWMP and consists of \$12.5 million in redevelopment funds and \$2.5 million of sewer fund reserves. The Regional Board questioned what happened to the \$10 million they previously understood to be available in sewer fund reserves. There also appeared to be some uncertainty by the Board regarding whether the cease and desist or administrative civil liability orders specifically required that sufficient funds be set aside to implement the LTWMP. Cease and Desist Order No. R3-2002-0105 required the submittal of an updated financial analysis for development and implementation of the LTWMP by October 22, 2002. The City's October 21, 2002 submittal [see Attachment 1] indicates that \$10 million was originally available in sewer funds (sewer enterprise fund and sewer expansion fund). The City now says that only \$2.5 million exists in that fund because approximately \$7.5 million of the available sewer funds were spent on interim improvements to the domestic wastewater treatment plant required by the Regional Board. The improvements consisted of a new headworks and modifications to the treatment system to reduce suspended solids loading to the disposal areas.

The cease and desist and administrative liability orders do not explicitly require that the City verify and guarantee that funds have been reserved for

implementation of the LTWMP. However, the concept of secured LTWMP funding is implicit in Cease and Desist Order No. R3-2002-0105 based on the following language found within the order:

“If the financial analysis discloses available funds are not sufficient to cover estimated costs of developing and implementing the LTWMP, measures shall be identified to secure additional funding.”

The City's October 21, 2002 cost estimate for the development and implementation of the LTWMP was \$18.5 million. Changes to the original LTWMP, primarily to address nitrogen removal, future wastewater reclamation, and disposal issues, resulted in significant increases in estimated costs to implement the LTWMP. More recently the City Council approved a 5.0 MGD upgrade to the domestic wastewater treatment facility to meet projected flows of 4.76 MGD in 2023 based on the City's General Plan. The original design called for a 4.0 MGD capacity domestic wastewater treatment system. The City's most recent cost estimate is \$38 million for implementation of the LTWMP. The City is still evaluating sewer rate increases and the issuance of bonds to make up shortfalls in the \$38 million estimated cost for implementation of the LTWMP.

### **Implementation**

Because of concerns recently brought forth by the San Benito County Water District and San Benito County regarding the City's LTWMP with respect to long-term planning for wastewater disposal and reclamation, the City is currently reevaluating the LTWMP. Several meetings have occurred between the City, Water District and County on both staff and board member levels during the last several months to discuss these issues. In addition, Regional Board staff recently met individually with City and Water District staff as well as jointly with the City, Water District and County staff to discuss the LTWMP. Regional Board staff is of the understanding that the local agencies are working collectively to address the issues and that a memorandum of agreement between the City, Water District and County is currently being drafted regarding the modification and implementation of the City's LTWMP.

It is becoming increasingly clear to staff that the position of the stakeholders is that full implementation of the LTWMP may not be

achievable, or even desirable, by the Regional Board imposed October 15, 2005 deadline. County stakeholders are concerned that implementation of the current working draft LTWMP is moving too fast without adequate public and environmental review, which could result in inadequate consideration of long-term wastewater disposal and reclamation issues within the County. Subsequently, staff is anticipating the City and supporting county agencies may request an extension of the October 15, 2005 deadline and propose a new timeline for LTWMP implementation in the relatively near future.

### **Regionwide Reports**

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

Current staff efforts focus on the following:

- ◆ Final preparation of TMDLs to be presented to the Regional Board in the next six months (San Luis Obispo Creek Nitrate TMDL, San Luis Obispo Creek Pathogens TMDL, Los Osos Creek Nutrient TMDL, Dairy Creek Dissolved Oxygen TMDL);
- ◆ Completion of TMDL project analyses for nutrients and sediment in Pajaro River Watershed\*, for pesticide TMDLs in Salinas River and Watsonville Sloughs, for pathogens in Watsonville Sloughs, and, for sediment in Aptos and Valencia Creeks;
- ◆ Data collection and analysis and source identification for pathogen TMDLs for several waterbodies in Santa Cruz County, in Santa Maria River and in Salinas River, for nutrient TMDLs in the Salinas River and for lead impairment for Monterey Harbor.

\* Regional Board staff will be presenting draft reports of the TMDLs for sediment and nutrients for the Pajaro River Watershed to stakeholders, via the Pajaro TMDL Advisory Committee, August through November. Staff will incorporate comments and concerns from the stakeholders into the project reports and pursue presentation of these TMDLs to the Regional Board before the end of this fiscal year (June 2005), if possible.

Additionally, the following ongoing region-wide activities will proceed:

- Bacteria source analysis investigation in irrigated agricultural areas
- Development of sediment assessment protocols
- Geographic Information Systems and Data Management Support
- Implementation coordination and tracking for approved TMDLs, including Clear Creek-Hernandez Reservoir Mercury, Morro Bay Sediment, Morro Bay Pathogens, San Lorenzo River Nitrate, and San Lorenzo River Sediment.

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

**Monitoring** - The Central Coast Ambient Monitoring Program will be collaborating this year in a study with the Central Valley Region and a U.C. Berkeley researcher to learn more about toxic effects of pyrethroid pesticides in sediment. The Salinas watershed makes an excellent study transect because the test organism of interest, *Hyallela*, is native to the drainage and occurs both upstream and downstream of areas of agricultural impact. This study will be timely because of the upcoming monitoring associated with the Conditioned Agricultural Waiver. The testing protocols associated with pyrethroid pesticides are not well developed and this research offers an opportunity for us to learn more about available methodologies that can be applied to the cooperative monitoring program for the Conditioned Agricultural Waiver.

We have completed the planning, budgeting, and workplan write-up for startup of full watershed monitoring in January. Contractors have completed field work for the harbor monitoring study. Coastal confluences monitoring for sediment chemistry and toxicity has been completed, and conventional water quality monitoring is ongoing. Twenty-four hour pre-dawn oxygen sampling has been completed at all sites. The web site is still undergoing major upgrade, and data is now ready for a major import to STORET. We are still working with SWAMP contractors on imports into the SWAMP data management system.

Regional monitoring staff is working with the Watershed Assessment Unit to ensure that TMDL-related monitoring activities are consistent with the

Surface Water Ambient Monitoring Program Quality Assurance Management Plan (QAMP). To that end, TMDL monitoring study plans will be submitted as part of the Region 3 SWAMP workplan to ensure that work is covered by and consistent with the SWAMP QAMP. The State's Quality Assurance officer will be auditing Regional TMDL programs for consistency with SWAMP this fall.

Monitoring staff is coordinating with agricultural representatives as they develop Requests for Proposals for the Cooperative Monitoring Program for Agricultural Waivers. It is required that the Program's quality assurance and data management are consistent with SWAMP. On-line SWAMP templates are available to assist in QAPP development. Templates are being developed in-house for data submittal that will ultimately feed both into the SWAMP database and the CCAMP website.

Use of Guadalupe settlement funds to support establishment of the Agricultural Cooperative Monitoring Program - At the September 10, 2004 meeting, the Board approved the use of \$504,000 of Guadalupe settlement funds to assist in setting up the Cooperative Monitoring Program established under the newly adopted Conditional Waiver for Irrigated Lands. Funds will be used to support administration of the program, development of a quality assurance project plan, and the first year of monitoring at ten sites in the Santa Maria watershed. Additional funds will be requested from the PG& E settlement Monitoring Fund to conduct similar monitoring at fifteen sites in the lower Salinas area in December.

Because of time constraints, the final workplan and budget for the funds had not yet been developed at the time of the September Board meeting. Some of the information needed to finalize the budget will not be available until the agricultural industry receives responses first to a Request for Proposal to develop the quality assurance project plan (QAPP), and second to a Request for Proposal for Phase 1 monitoring. Once estimates on the cost of the QAPP and Phase 1 monitoring are received, staff will meet with representatives from the agricultural industry to finalize details of the workplan and budget. This information is not likely to be available in time for the October meeting; therefore, the scope of work and budget will be presented to the Board either at a specially

scheduled November meeting or at the December Board meeting.

**Basin Planning** – Because of recent reorganization of technical staff, Basin planning activities will need to be distributed among multiple staff. We are seeking to organize tasks so that staff with special expertise in specific subjects can combine existing activities with Basin Planning. Meanwhile, staff is working to develop a Triennial Review List for approval by the Board that accommodates new staffing arrangements.

### **Cleanup Reports**

Underground Tanks Summary Report dated September 17, 2004 [Burton Chadwick 805/542-4786] [See Attachment No. 2 ]

### **Administrative Reports**

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

On August 4, 2004, David Athey, Kristina Seley and Eric Gobler attended the Groundwater Resources Association, "Perchlorate in California's Groundwater" symposium in Glendale. The symposium included numerous technical briefings related to perchlorate forensics, toxicology, investigation and remediation. The luncheon keynote speaker, Dr. Gina Soloman, spoke about "Perchlorate Toxicology - Setting a Safe Exposure Level and Emerging and Unresolved Issues."

### **ATTACHMENTS**

1. October 21, 2002, letter from the City of Hollister re: Updated Financial Analysis for Implementation and Development of Long-Term Wastewater Management Plan Cease and Desist Order R3-2002-0105.
2. Underground Tanks Summary Report dated September 17, 2004.