

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

**STAFF REPORT FOR REGULAR MEETING OF JANUARY 26-27, 2017**  
Prepared on December 27, 2016

**ITEM NUMBER:** 10

**SUBJECT:** Grants Program Status Update

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**KEY INFORMATION**

Location: Central Coast Regional Boundaries

**This Action:** Information Only

**SUMMARY**

Central Coast Regional Water Quality Control Board (Central Coast Water Board) Grants Program staff facilitates and manages grants to align projects with the Central Coast Water Board's regional priorities and goals. Grants Program staff is involved in grants projects from proposal solicitation through project execution to project completion. This Staff Report provides an update on recent Grants Program activities.

**DISCUSSION**

**Background**

The Central Coast Water Board Grants Program provides administrative and technical oversight on grant projects being implemented in the Central Coast Region. Staff engages stakeholders throughout the region to leverage funds for high priority projects, and participates in efforts such as regional prioritization, project solicitation and selection, and grant management. Grants Program efforts are coordinated closely state-wide with State Water Resource Control Board (State Water Board) staff. Information and resources for the Grants Program are available on the Central Coast Water Board website at the following link:

[http://www.waterboards.ca.gov/centralcoast/water\\_issues/programs/grants/index.shtml](http://www.waterboards.ca.gov/centralcoast/water_issues/programs/grants/index.shtml)

**Funding Opportunities and Projects**

Federal, state, and regional funds are available to address impacts to water quality and beneficial uses. Various grant programs are administered and managed by the State and Regional Water Boards. Several of the funding sources are described below. Recently completed and current projects managed by Central Coast Water Board staff total approximately \$7.5 million dollars. These are listed in Attachment 1. Additionally, stormwater projects in our region, but managed by State Water Board, are listed in Attachment 2. Funds are available on a competitive basis either annually or in funding cycles, as defined by the specific funding source. These programs, as well as some project examples, are discussed below.

### California Nonpoint Source Program

The Nonpoint Source Program annually allocates approximately \$4 million of federal Clean Water Act section 319(h) funding statewide. The funding is provided by the U.S. Environmental Protection Agency (USEPA) to support implementation of best management practices that address water quality problems resulting from nonpoint source pollution. Projects that focus on achieving the goals of the Nonpoint Source Program and Total Maximum Daily Loads are the most competitive in the selection process. Each year, Central Coast Water Board staff establishes specific project preferences that are aligned with the Region's highest priorities. Staff participates on a state-wide selection committee with representatives from USEPA, the State Water Board, and other Regional Water Boards to evaluate and recommend proposals for funding within the Region and throughout the state.

Three 319(h) grants within the Central Coast Region were completed in 2016. In the San Lorenzo River watershed, the Resource Conservation District of Santa Cruz County provided technical assistance to private road associations to construct rural road and home drainage improvements to reduce erosion and sediment loading to anadromous fisheries habitat. In the Morro Bay watershed, the Bay Foundation of Morro Bay and the National Estuary Program, in collaboration with California Polytechnic State University and other landowners, recently completed road and stream improvement projects to control sediment discharges to Chorro Creek. An agricultural water quality grant awarded to the Coastal San Luis Resource Conservation District in the Morro Bay watershed was also recently completed. This project partnered with agricultural landowners to implement numerous best management practices including riparian fencing, streambank stabilization, and irrigated agricultural practices, including a nutrient tailwater woodchip bioreactor in the Los Osos Creek watershed.

Five additional 319(h) projects are in progress to 1) address toxic algal blooms in Pinto Lake, 2) develop a remediation plan for legacy pesticides in Oso Flaco Lake, 3) implement manure management livestock best management practices in the Pajaro River watershed, 4) implement best management practices to reduce toxicity from pesticides in the Pajaro River watershed, and 5) develop a third party strawberry certification program in the Pajaro, Salinas, and Santa Maria watersheds.

### Proposition 84 Agricultural Water Quality Grants

Proposition 84 funds are leveraging matching funds to install a variety of on- and off-farm management practices to improve surface and groundwater quality across the region. Proposition 84 Agricultural Water Quality Grants totaling \$3 million dollars are currently being implemented to improve water quality in three high priority watersheds – Pajaro, Salinas, and Santa Maria. Grants Program staff manages these and other grant projects to assist project proponents with planning and site selection, and to ensure grants are implemented successfully to meet specified measurable performance outcomes.

In the Pajaro watershed, the Resource Conservation District of Santa Cruz County is using grant funds to work with partnering organizations and agricultural landowners to construct a denitrification wood chip bioreactor to reduce nutrient discharges to Watsonville Slough; install a sediment basin to capture phosphorus-rich sediment in a drainage to Pinto Lake; and provide technical assistance for irrigation and nutrient management on multiple farms in the Pajaro Valley.

In the Santa Maria watershed, the City of Santa Maria is constructing a large denitrification bioreactor in Jim May Park. The project will treat runoff from approximately 5,300 acres of

irrigated agricultural lands to improve surface water and groundwater quality. In addition, funding for technical assistance through a partnership with the Cachuma Resource Conservation District is available to growers for irrigation and nutrient management.

In the Salinas watershed, Coastal Conservation and Research Inc. and the Monterey Bay National Marine Sanctuary are collaborating with numerous organizations and agricultural landowners to (1) install a vegetated treatment system in an agricultural ditch that receives runoff from 86 acres of vegetable and strawberry crops in the Quail Creek watershed; (2) construct edge-of-field denitrification wood chip bioreactors to reduce nitrate in agricultural runoff draining to the Moro Cojo and Elkhorn sloughs; (3) build a California Irrigation Management Information System (CIMIS) station to improve understanding of crop water needs; (4) provide technical assistance to numerous growers implementing irrigation and nutrient management practices in the Salinas Valley; and (5) construct an 18-acre treatment wetland in the Moro Cojo watershed. On November 18, 2016, staff attended the re-flooding of the Morro Cojo watershed 18-acre treatment wetland (see <http://www.ksbw.com/article/moss-landing-project-aims-to-make-ag-runoff-water-cleaner/8341998>).

Grants Program staff will provide additional updates when the suite of Proposition 84 Agricultural Water Quality Grant projects is completed next year. Many of these sites will serve as demonstration sites for years to come.

#### Regional Settlements Funds

*Central Coast Safe Drinking Water Grant Program* - Grants Program staff manages the Central Coast Safe Drinking Water Grants funded by the remaining PG&E settlement funds. These grants are focused on the Central Coast, and differ from the statewide Proposition 1 Drinking Water Grants. The Coalition for Urban/Rural Environmental Stewardship (CURES) recently completed its Central Coast Safe Drinking Water Grant to identify limited resource growers in the Salinas Valley who need interim replacement water due to elevated levels of nitrates in drinking water wells. CURES's grant resulted in installation of two reverse osmosis systems and provided bottled water delivery to a household that did not have access to safe drinking water due to nitrate-contaminated wells. CURES committed to providing replacement bottled water service past the grant term, for a 26-month service period. At the end of the replacement water service period, the total amount of water supplied will be approximately 6,500 gallons. In addition to implementing outreach to identify drinking water needs of limited resource growers, CURES also surveyed members at a Central Coast Groundwater Coalition Member outreach meeting about their domestic well water quality and replacement water needs.

The grant solicitation included allowances for adjusting the funding allocation to grantees based on identified drinking water needs. CURES returned remaining unused grant funds in the amount of \$ 6,298 to the Community Foundation of Monterey County. Water Board staff will redirect these unused funds to provide additional safe drinking water to disadvantaged households in the Salinas Valley.

Environmental Justice Coalition for Water (EJCW) continues to provide bottled water to approximately 40 economically disadvantaged households in the Royal Oaks/Los Lomas Community of North Monterey County. Grants Program staff is working with the Community Foundation of Monterey County and EJCW to augment the existing grant agreements with the unused CURES funds in order to extend water service to these households until July 2017. EJCW's existing grant agreements have also included environmental justice tours and forums to engage the communities and agencies to find long-term drinking water solutions. A recent community event was held on November 20, 2016.

*Avila Beach Water Quality Trust* - Two projects are being carried out with remaining Unocal settlement funds. Coastal Conservation and Research, Inc. and UC Davis are being funded to develop a feasibility study for a wetland treatment project for agricultural runoff in the Orcutt Creek watershed, while the Nature Conservancy is being funded to provide long term maintenance on the Andre Ranch in the Irish Hills.

### **Proposition 1 Storm Water Grant Program**

Approximately \$20 million of Proposition 1 funds were available for Planning Grants, and approximately \$80 million dollars were available for Round 1 Implementation Grants. The State Water Board also made unused or re-appropriated Proposition 84 funds available for projects that discharge to Areas of Special Biological Significance (these are areas designated in Water Quality Control Plans so their biological value is prioritized for protection). Central Coast Water Board Storm Water and Grants Program staff assisted the State Water Board's Division of Financial Assistance with the review of the project proposals.

Projects selected for Planning Grants were approved on June 30, 2016 and projects approved for Implementation Grants were awarded on December 1, 2016. Four planning projects and three implementation projects, exceeding \$16 million dollars, were funded in the Central Coast Region (see Attachment 2 below). Municipalities must have a Storm Water Resource Plan in place to receive Proposition 1 Storm Water Grant Program implementation funds. The Storm Water Grant Program projects will be managed by Division of Financial Assistance staff.

Approximately \$95 million is expected to be available for Round 2 of Proposition 1 Storm Water Grant Program funds. These funds will be awarded in 2018 to allow sufficient time for municipalities to prepare and complete their Storm Water Resource Plans. For more information on the Storm Water Grant Program, visit the following website:

[http://www.waterboards.ca.gov/water\\_issues/programs/grants\\_loans/swgp/prop1/](http://www.waterboards.ca.gov/water_issues/programs/grants_loans/swgp/prop1/)

### **Regional Collaboration and Tangible Outcomes**

Central Coast Water Board staff collaborates across programs internally and with stakeholders externally to ensure grants are aligned with Central Coast Water Board priorities. Each regionally managed grant project team presents kick-off and wrap-up meetings to maximize data and project integration between Central Coast Water Board programs. Central Coast Water Board staff also keeps abreast of projects managed by State Water Board.

Central Coast Water Board staff works with stakeholders to develop and implement grants projects that result in tangible outcomes. Grant projects are conducted within an adaptive management framework, with projects including milestones and submittals, as well as project effectiveness evaluation. Each grantee develops a Project Assessment and Evaluation Plan to ensure performance measures are established and tangible results are achieved. Central Coast Water Board staff tracks project outcomes to ensure they contribute to attainment of the Central Coast Water Board's measurable goals and priorities.

### **CONCLUSION**

Central Coast Water Board staff will continue to work across programs internally and collaborate externally with stakeholders to fund projects that reflect the Central Coast Water Board's highest priorities and that result in positive tangible outcomes for our water resources.

**ATTACHMENTS**

1. Recently completed and currently funded projects managed by Central Coast Water Board staff
2. Central Coast Region Storm Water Grant Projects