

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

STAFF REPORT FOR REGULAR MEETING OF JANUARY 31 – FEBRUARY 1, 2019

Prepared on January 2, 2019

ITEM NUMBER: 10

SUBJECT: Salinas Basin Agricultural Stewardship Group – Status of Interim Replacement Water Agreement: Year Two

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ACTION: Discussion/Informational

SUMMARY

This agenda item updates the Central Coast Water Board on implementation of the second year of the Salinas Basin Agricultural Stewardship Group (SBASG) interim replacement water agreement. SBASG is comprised of growers and landowners in the Salinas Groundwater Basin who are coordinating with the State Water Board and Central Coast Water Board to provide interim replacement drinking water free of cost to small water system and domestic well users impacted by nitrate pollution of groundwater. Implementation of the interim replacement water agreement is a critical component of the Central Coast Water Board's two-part strategy to address the region's severe groundwater nitrate problem:

- 1. Provide Interim Replacement Drinking Water to Well Users Impacted by Nitrate Pollution;**
- 2. Reduce Nitrate Loading to Groundwater to Protect Current and Future Drinking Water Sources;**

This work also supports the Central Coast Water Board's Environmental Justice priorities and implements the Human Right to Water Resolution No. R3-2017-0004.

As part of this agenda item, an SBASG representative will make a presentation to the Board to discuss implementation of the interim replacement water agreement and progress made during Year 2.

BACKGROUND

In March 2017, the Central Coast Water Board and State Water Board (collectively known as the Water Board's Team), and SBASG initiated an Interim Replacement Water Settlement agreement (Agreement). This Agreement enables growers and landowners to avoid replacement water-related enforcement in exchange for participation in a program that provides free replacement drinking water to Salinas Basin individuals and communities reliant on small

water systems and domestic wells that have unsafe drinking water due to groundwater nitrate pollution. Currently, growers and landowners representing approximately 182,000 acres participate in SBASG and receive the benefits of the enforcement stand-still (out of approximately 186,000 total basin acres).

Under the Agreement, the Year 1 workplan (which ended in March 2018) required SBASG to implement specific replacement water activities and achieve minimum performance metrics. Water Board staff provided progress updates at the [February](#) (staff report and [SBASG presentation](#)), [March](#) (Executive Officer's report item), [May](#) (Executive Officer's report item and [SBASG presentation](#)), and [November](#) (Executive Officer's report item and revised Year 2 Agreement) 2018 Board Meetings. These reports detail SBASG's achieving the Year 1 performance metric to provide replacement drinking water to a minimum of 35 small drinking water systems. Based upon the successful implementation in Year 1, the Executive Officer, the Chief Deputy Director of the State Water Board, and SBASG agreed to extend the Agreement for a second year of implementation. The Agreement will automatically renew for additional one-year periods unless any party to the Agreement provides notice to the other parties no less than sixty days prior to the end of a term. This staff report provides an update on the status of implementation of the Agreement and associated workplan for Year 2.

DISCUSSION

Status of Interim Replacement Water Settlement Agreement Year 2

The Water Board's Team and SBASG initiated discussions for the Year 2 workplan in early February 2018, with work ongoing throughout the spring and summer. The revised Agreement was formally signed in September 2018. While the Agreement and workplan for Year 2 are similar to Year 1, they differ in that Year 1 focused primarily on small water systems, and the Year 2 workplan is focused on expanding implementation to also identify and provide free replacement water to domestic well users impacted by unsafe nitrate concentrations. SBASG submitted their first quarterly report to the Water Boards in November 2018 and will present a detailed update to the Board as part of this agenda item.

The Water Board's Team is coordinating with SBASG representatives to determine performance metrics to measure the effectiveness of Year 2 implementation including 1) outreach and 2) provision of safe drinking water to users of small water systems and domestic wells. For example, performance metrics may include percentage of potential candidates' responding to outreach, as well as percentage of candidates who are receiving replacement water. Currently, specific targets for these performance metrics have not been agreed upon and are still under discussion.

The Water Board's Team met with SBASG on November 7 and November 27, 2018 to discuss progress of Year 2 implementation. At these meetings, staff learned that delivery of replacement water to small water systems already participating in the program continues to be very successful; however, outreach to domestic well owners has proven to be very challenging and well owners' response rates to offers of well testing are very low¹. The Water Board's Team and SBASG agree that SBASG must prioritize, adapt and improve outreach methods to

¹ Prior to enrolling participants in the replacement water program, SBASG must obtain permission from the well owner to test the well to confirm that replacement drinking water is needed (i.e., nitrate in drinking water exceeds the maximum contaminant level of 10 micrograms per liter nitrate as nitrogen).

increase response rates for domestic well user outreach. If response rates to domestic well outreach and percentage of domestic wells that receive replacement water do not improve in Year 2, the Executive Officer and State Water Board Deputy Director may require an updated Year 3 work plan to improve effectiveness of the replacement water program or may reconsider renewing the Agreement in the future. To help support the replacement water program, Central Coast Water Board staff and SBASG are also coordinating closely with the Monterey County Environmental Health Bureau and the Community Water Center.

Nitrate Loading Reduction to Groundwater

As nitrate loading reduction is also a critical component of our strategy to address the region's groundwater nitrate problem, the Central Coast Water Board Irrigated Lands Regulatory Program (ILRP) staff continue to work with growers to implement Ag Order 3.0 and are in the process of working with stakeholders to develop the future Ag Order 4.0² to effectively control agricultural sources of nitrate pollution in groundwater, reduce nitrate loading, and improve water quality to protect future drinking water supplies.

CONCLUSION

Staff recognizes that SBASG is the only agricultural industry group of its kind working to provide safe drinking water and that a large number of growers and landowners in the Salinas Groundwater Basin have demonstrated initiative by participating in the interim replacement water settlement agreement. SBASG continues to effectively provide bottled water deliveries to the small water systems participating in the program and the Water Board's Team supports SBASG's effort to expand the program to assist domestic well users impacted by groundwater nitrate pollution.

As discussed above, the Agreement provides a significant step forward on the interim replacement water portion of the Central Coast Water Board's two-part strategy (replacement water and nitrate-loading reductions) for dealing with nitrate discharges from irrigated agriculture while not restricting the Central Coast Water Board's Irrigated Lands Regulatory Program's (ILRP's) efforts to reduce excess nitrate loading to groundwater. Going forward, the Water Board's Team will continue to coordinate with SBASG to monitor the effectiveness of the program to maximize participation and provision of replacement drinking water, especially to disadvantaged communities. As an immediate next step, the Water Board's Team will coordinate with SBASG to confirm Year 2 performance metrics and appropriate follow-up. Staff will also continue to provide periodic updates to the Board on our collective progress at implementing the Agreement to provide interim replacement drinking water. As part of these updates, staff will evaluate SBASG performance, describe changes in strategy and direction, and report on the effectiveness of efforts to provide interim replacement drinking water to small water systems and domestic wells impacted by nitrate pollution.

² On November 19, 2018, the Central Coast Water Board released a conceptual framework for Ag Order 4.0, including options to address nitrate loading to groundwater. The document provides interested parties with an opportunity to comment on the conceptual framework and associated regulatory requirements. See link below: https://www.waterboards.ca.gov/centralcoast/water_issues/programs/ag_waivers/docs/notice_public_comment_options_tables_updated_18dec2018_fin.pdf