

STATE OF CALIFORNIA
REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL COAST REGION

STAFF REPORT FOR REGULAR MEETING OF June 20-21, 2024

Prepared on May 24, 2024

ITEM NUMBER: 11

SUBJECT: Executive Officer's Report to the Board

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ACTION: Information/Discussion

KEY INFORMATION: This item presents a brief overview of issues that may interest the Board. Upon request, staff can provide more detailed information about any item.

CENTRAL COAST COMMUNITY-BASED WATER QUALITY GRANTS PROGRAM UPDATE [Julia Dyer, (805) 542-4624, Julia.Dyer@waterboards.ca.gov]

At the April 22, 2022, Board Meeting¹, the Central Coast Water Board adopted [Resolution R3-2022-0015](#)² which allocated \$1.2 million of PG&E settlement funds to the Rose Foundation for Communities and the Environment (Rose Foundation³) to develop and implement the [Central Coast Community-Based Water Quality Grants Program](#)⁴ (Grants Program). The Rose Foundation is implementing the Grants Program based upon Resolution R3-2022-0015 and announced the Grants Program solicitation on May 6, 2024. Applications are due June 28, 2024, and grant awards will be announced in December 2024. This report provides a status update of the Grants Program, tentative schedule, and includes additional information in response to questions asked by Central Coast Water Board members during the February 2024 Board Meeting⁵.

Grants Program Establishment

The Central Coast Community-Based Water Quality Grants Program supports projects in the Central Coast Water Board's jurisdiction, with an emphasis on projects that advance environmental justice and provide water quality benefits to underrepresented communities. The Rose Foundation formally established the Grants Program on

¹https://www.waterboards.ca.gov/centralcoast/board_info/agendas/2022/apr/agenda_apr.pdf

²https://www.waterboards.ca.gov/centralcoast/board_decisions/adopted_orders/2022/r3-2022-0015.pdf

³<https://rosefdn.org/>

⁴<https://rosefdn.org/central-coast-community-based-water-quality-grants-program/>

⁵https://www.waterboards.ca.gov/centralcoast/board_info/agendas/2024/feb/item09_att1.pdf

December 11, 2023, by entering into a contract agreement with the Bay Foundation of Morro Bay (Bay Foundation)⁶. Since that time, the Rose Foundation has received the funds, finalized the Grants Program public solicitation notice based on the [project ranking and selection criteria](#)⁷ discussed at the April 2022 Central Coast Water Board Meeting, and established a funding advisory board.

Funding Advisory Board

The Grants Program will be advised by a volunteer [Funding Advisory Board](#)⁸ (FAB) of individuals who have tremendous expertise in water quality and the Central Coast region of California. The Rose Foundation's process for recruiting potential candidates to the FAB started with outreach to contacts within their existing network and then reaching out to additional candidates referred to them through the network. The confirmed FAB members are listed below.

Funding Advisory Board Members:

- Mike Antos – Stantec
- Lee Knudtson – Knudtson Consulting
- Heather Lukacs – Clear Current Consulting, LLC
- Andria Ventura – Clean Water Action
- Natalie LaVan - Community Foundation of Santa Cruz County, Regional Water Management Foundation
- Cameron Yee – Central Coast Alliance United for a Sustainable Economy

Funding Advisory Board Alternate:

- Martha Davis – The California Water Data Consortium

Grants Program Schedule

Table 1 presents a tentative schedule for the Rose Foundation's implementation of the Grants Program through January 2025.

Table 1. Tentative Schedule - Central Coast Community-Based Water Quality Grants Program

Date	Activity
May 6, 2024	Grant Program solicitation announced and application available in the Rose Foundation online grants portal.

⁶ www.bayfoundationmb.org

⁷ https://www.waterboards.ca.gov/centralcoast/board_info/agendas/2022/apr/item12_att2.pdf

⁸ <https://rosefdn.org/grant-seekers-2/apply-for-a-grant/central-coast-community-based-water-quality-grants-program/central-coast-community-based-water-quality-grants-program-funding-board/1/>

June 2024	The Rose Foundation will continue outreach and staff are available for short one-on-one consultations to provide technical assistance to potential applicants. ⁹
June 28, 2024	Grant application deadline.
July-August 2024	FAB meetings to discuss review and scoring of applications.
September 2024	Final FAB meeting to make funding recommendations.
December 2024	Central Coast Water Board Meeting – The Rose Foundation will present a list of grantees and projects selected for grant awards as an informational item to the Central Coast Water Board.
January 2025	The Rose Foundation will execute grant contracts with grantees followed by distribution of funds. Project work begins. Grant project duration is likely 1 to 3 years.

Grant Projects and Technical Assistance Mini Grants

At the February 2024 Board Meeting, Central Coast Water Board Members asked how the grant awards would be used to fund a diverse selection of projects and how the technical assistance mini grants would be implemented. Based on the pool of applications and as a standard practice, the FAB will distribute the funding to a diverse number of organizations and project types (i.e., spread out geographically across the region, various types of organizations, and various project areas of focus and/or goals, etc.). Additionally, grant recipients are also eligible for technical assistance mini grants. Technical assistance mini grants are targeted towards smaller grantees to help the organization build capacity in specific areas. The Rose Foundation uses their discretion to identify grantees who would benefit from technical assistance mini grants to focus on the specific needs of the individual grantees. For example, if a grant recipient was to demonstrate the need for additional resources that would allow community members to participate in a public process, a technical assistance mini grant could be used for that purpose. The Rose Foundation is also offering 15-minute video call consultations for perspective applicants in May and June 2024 to address questions and provide technical assistance with the application process. A link is available on the Grants Program webpage for interested persons to schedule a time to speak with a Rose Foundation Program Officer.

⁹ Due to the potential for large volume of applications, technical assistance will be prioritized for small track applicants.

Distribution of Grant Funds and Project Lifespans

At the February 2024 Board Meeting, Central Coast Water Board Members asked about the timeframe for the distribution of grant funds and project lifespans. As outlined in Table 1. above, the FAB will make funding recommendations in September 2024. The Rose Foundation will provide the list of grantees and projects selected for grant awards to the Bay Foundation in October 2024 and to the Central Coast Water Board in December 2024. In January 2025, the Rose Foundation will execute finalized grant contracts with grantees. Once a grantee has an executed contract, grantees can expect to receive funding within a month. The majority of grants will be completed within a year. Although, depending on the project, the timeline could extend up to three years.

Additional Information and Grants Program Notifications

For additional information regarding the Central Coast Community-Based Water Quality Grants Program, please contact the Rose Foundation at (510) 658-0702 or grants@rosefdn.org or visit the [Grants Program website](#)¹⁰ where stakeholders and potential grantees can sign up for grant opportunity notifications.

TERMINATION OF THE SALINAS BASIN AGRICULTURAL STEWARDSHIP GROUP SETTLEMENT AGREEMENT AND TRANSITION TO STATE WATER RESOURCES CONTROL BOARD SAFE AND AFFORDABLE FUNDING FOR EQUITY AND RESILIENCE PROGRAM [Angela Schroeter, (805) 542-4644, Angela.Schroeter@waterboards.ca.gov]

In March 2017, the Central Coast Water Board and State Water Board (collectively known as the Water Board's Team) and the Salinas Basin Agriculture Stewardship Group (SBASG) initiated an interim replacement water settlement agreement. The Agreement enabled growers and landowners to avoid replacement water-related enforcement in exchange for participation in a program that provided 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. Implementation of the Agreement was 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.

¹⁰ <https://rosefdn.org/central-coast-community-based-water-quality-grants-program/>

Staff have provided the Board with several updates regarding implementation of the Agreement since 2017. On October 10, 2023, the Central Coast Water Board received notice from SBASG indicating their intention to discontinue the Salinas Basin Replacement Drinking Water Program and providing formal notice to terminate the Agreement effective March 28, 2024. On May 21, 2024, SBASG submitted a final report to the Central Coast Water Board. The final report described that during the term of the agreement, SBASG served 44 small water systems and 58 individual domestic drinking water wells impacted by nitrate concentrations that exceed the safe drinking water standard and delivered a total of 635,737 gallons of bottled water. Of the 44 small water systems and 58 individual domestic drinking water wells served by SBASG, 17 small water systems and 17 individual domestic drinking water wells serve households that meet the criteria for disadvantaged community.¹¹

Following SBASG's termination of the agreement, Central Coast Water staff prioritized actions to ensure that disadvantaged communities impacted by nitrate contamination could continue to receive safe drinking water by transitioning participants to the Central Coast Regional Bottled Water Program funded by the State Water Board Safe and Affordable Funding for Equity and Resilience Program (SAFER¹²) and implemented by the Community Water Center (CWC).

Since March 29, 2024, CWC has re-enrolled former SBASG program participants who are eligible for the Central Coast Regional Bottled Water Program and coordinated with local bottled water service providers to facilitate a smooth transition with bottled water deliveries. Of the approximately 223 households participating in the SBASG program, 77 households either did not meet the low-income requirements, moved and are unoccupied, or part of the UCLA Nitrate Treatment Pilot Project and did not wish to participate or could no longer participate in the CWC program, and 26 new eligible households were identified and added to the CWC program. CWC continues to conduct outreach to the community to ensure that households have access to safe drinking water and to pursue long term drinking water solutions.

Despite termination of the Agreement, the Central Coast Water Board continues to prioritize actions to ensure safe drinking water for impacted communities while growers implement nitrate loading reduction requirements through the Irrigated Lands Program (ILP). In addition, staff will incorporate lessons learned as the ILP develops a region-wide alternative water supply program for well users with exceedances of nitrate in their drinking water supply above the MCL caused by agriculture practices, as directed by State Water Board Order WQ 2023-0081¹³.

STATE WATER RESOURCES CONTROL BOARD FUNDING INFORMATION

¹¹ California Code of Regulations Title 22, section 64300 defines a disadvantaged community as a community with a median annual household income of less than eighty percent (80%) of the statewide median annual household income.

¹² <https://www.waterboards.ca.gov/safer/>

¹³ https://www.waterboards.ca.gov/public_notices/petitions/water_quality/docs/2023/wqo2023-0081.pdf

The State Water Board Division of Financial Assistance (DFA) administers a number of funding programs supporting wastewater and drinking water infrastructure projects in addition to other water quality protection and restoration projects. See the [DFA website](#)¹⁴ for information regarding available loan and grant programs administered by the State Water Board.

State Water Board DFA maintains the following online dashboards tracking project funding applications and funded projects:

[Application Status Search Tool](#),¹⁵ allows users to search for the status of State Water Board drinking water and clean water State Revolving Fund (SRF) project applications that have been submitted for funding consideration and are currently under review (this portal does not include approved projects).

[Program funding dashboard](#),¹⁶ documents funded projects and descriptions via pull down menu options and graphics by funding program and geographic area for the most recent fiscal year for which the funding cycle has ended.

PROGRAM PERFORMANCE MEASURES

Please see the following standard attachments.

ATTACHMENTS

1. [Table 1](#) - 401 Water Quality Certification Applications Received
2. [Table 2](#) - 401 Water Quality Certifications Issued
3. [Table 3](#) - Groundwater Section, Case Closure Performance Scoreboard
4. [Table 4](#) - Groundwater Case Closures
5. [Table 5](#) - Enrollments in General Orders/Waivers

¹⁴ DFA website: https://www.waterboards.ca.gov/water_issues/programs/grants_loans

¹⁵ Application Search Tool: <https://public.waterboards.ca.gov/dfaAppSTAT/>

¹⁶ State Water Board Division of Financial Assistance project funding dashboard: <https://app.powerbigov.us/view?r=eyJrIjoiZjk1ZjM5ZWQ0OTFkYi00OGFjLTlhMjUtMjJmZmYTI1ZTEwliwiZCI6ImZlMzY2YTI1LTdkNDktNDNi05OTQxLTA1ZDlyODFkMzZjMSJ9>