

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

STAFF REPORT FOR REGULAR MEETING OF OCTOBER 17-18, 2024

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ITEM NUMBER: 13

SUBJECT: GRANTS PROGRAM UPDATE

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ACTION: Informational

SUMMARY

This staff report summarizes the California Regional Water Quality Control Board, Central Coast Region (Central Coast Water Board) Grants Program activities from January 1, 2023 to June 30, 2024. Staff previously provided an update to the Board in December 2022. The staff presentation will provide an overview of the Grants Program and current Program priorities.

DISCUSSION

Background

Central Coast Water Board staff coordinates with the State Water Resources Control Board (State Water Board) to prioritize, fund, and support water quality improvement efforts and habitat restoration projects in priority areas. Staff works with interested parties, assists with grant proposal development and selection, and ensures that grant projects' scopes align with permits and Water Board program goals.

Grants Program staff solicits projects consistent with the California 2020-2025 Nonpoint Source (NPS) Program Implementation Plan¹ to align with the Central Coast Water Board's Grant Program priorities. These program priorities include implementation of Total Maximum Daily Loads (TMDLs), compliance with other Water Board program requirements, protection and restoration of water quality, mitigation and/or adaptation to the effects of climate change, implementation of the human right to water law, and prioritization of funding for projects in disadvantaged communities (DACs). Grantees, partnering organizations, landowners, and agencies provide matching funds.

¹ https://www.waterboards.ca.gov/water_issues/programs/nps/docs/plans_policies/draft2020_2025nps_plan.pdf

Grants Inventory and Cross Programmatic Data Sharing

Grants Program staff inventoried grants awarded in the Central Coast Region. In the past 20 years, over \$1.5 billion in financial assistance (composed of both state and federal funds) to projects in the Central Coast Region. The majority of funding is managed by State Water Board staff. Central Coast Water Board staff currently manages approximately \$3.5 million of Clean Water Act (CWA) section 319(h) NPS Grant Program funding, provided by the United States Environmental Protection Agency (USEPA), and is seeking additional funds, as discussed further below.

The Central Coast Region tracks measures that demonstrate grant funded practice effectiveness in reducing pollutant loads and communicates information about projects that improve water quality. There are several ways in which Grants Program staff shares information:

TMDL Dashboard:²

The web-based tool generates a Report Card for any TMDL waterbody and pollutant combination. Grants Program staff collaborated with TMDL Program staff to integrate information about TMDL implementation into the Report Cards such as grant project information, TMDL project information (e.g., which permits or NPS actions implement the TMDLs), and water quality data collected by the Central Coast Ambient Monitoring Program (CCAMP) and other regional monitoring programs.

California Water Boards' Annual Performance Report, Water Quality Report Cards:³

In Spring 2024, Grants Program staff provided NPS grants information about Oso Flaco Creek Nitrates, Pajaro River Nitrates, and Blanco Drain Nitrates to Basin Plan Program staff to help develop three 2024 Report Cards for the State's Annual Performance Report.

Internal Coordination and information sharing:

Grants Program staff participate in and provide program updates at internal unit meetings, monthly roundtable meetings (attended by staff from USEPA, the State Water Board, Regional Water Boards, and the California Coastal Commission), semi-annual reporting to the State Water Board and bi-annual Central Coast Water Board updates.

GeoTracker database:

Grants Program staff worked with State Water Board staff to upload information about grant projects funded over the last 20 years into GeoTracker (e.g. location, funding amount, project type, etc.). Grants information is now visible geographically and co-located with permitted facilities. Information such as Monitoring Plans,

² https://www.waterboards.ca.gov/centralcoast/water_issues/programs/tmdl/report-cards.html

³ https://waterboards.ca.gov/about_us/performance_report_2223/plan_assess/11112_tmdl_outcomes.html

Design Plans, and Final Reports can eventually be uploaded to these non-case projects, so they are also visible to other GeoTracker users.

To further provide transparency and efficiency of performance metric tracking, Grants Program staff will coordinate with State Water Board staff to identify ways to link Grants Program summary information, the TMDL Dashboard and the USEPA Grants Reporting and Tracking System (GRTs) data mapper to be able to view load reductions for grant funded projects.

CWA Section 319(h) Nonpoint Source Grant Program

Approximately \$4.5 million is available statewide annually for the CWA section 319(h) Nonpoint Source Grant Program to support planning and implementation projects that restore water quality, rehabilitate post-fire areas, and protect high-quality waters across the state.

Grants Program staff solicits and recommends projects for CWA section 319(h) NPS Grant Program funding and participates on the statewide selection committee. The selection committee is composed of staff from the USEPA, State Water Board, and one representative from each of the nine regional Water Boards, including the Central Coast Region. The suite of statewide projects is awarded funding annually by the State Water Board and USEPA. For more information on CWA section 319(h) NPS Grant Program funding, visit the State Water Board website.⁴

Generally, the grantees are Resource Conservation Districts (RCDs) or non-profit organizations. The grantees perform the “on the ground work” implementing the projects to improve water quality. Central Coast Water Board staff manage the grants. As part of grant management, Central Coast Water Board staff review data and reports, recommend sites and practices, approve invoices and submittals, perform pre- and post-construction site visits, coordinate permitting the construction and design of projects, and amend projects as necessary to comply with project requirements all in close coordination and collaboration with grantees.

For the 2024 grant cycle, a new project in the Elkhorn Slough watershed was awarded funding, and for the 2025 cycle, Grants Program staff recommended amending three existing projects to supplement additional funding. These projects are discussed in more detail below and are listed on the Central Coast Water Board Grants website.⁵

⁴ https://www.waterboards.ca.gov/water_issues/programs/nps/319grants.html

⁵ https://www.waterboards.ca.gov/centralcoast/water_issues/programs/grants/open_and_completed_grants.html

Projects Restoring Degraded Ecosystems

Werner Lake Restoration and Water Quality Improvement Planning

In December 2023, the Elkhorn Slough Foundation proposed a new planning project in the Elkhorn Slough watershed. Grants Program staff worked with the applicant to develop the scope and align the project with a TMDL Project for Biostimulatory Substances that is currently under development and respond to comments from the selection committee.

The selection committee recommended the project for full funding in the amount of \$249,422. Matching funds (\$83,141) will be provided through the National Oceanic and Atmospheric Administration (NOAA) that supports Elkhorn Slough National Estuarine Research Reserve (ESNERR) staff.

The purpose of the project is to conduct the necessary outreach, monitoring, and planning to restore habitats and reduce NPS loads to Werner Lake, and ultimately Elkhorn Slough. The project will fund the development of the Werner Lake Restoration Plan, which will include the necessary permitting and design plans for identifying sediment inputs, management practices to reduce sediment loading, and restoration activities upstream of and within Werner Lake.

The planning project is aligned with the Biostimulatory Substances TMDL Project for Elkhorn Slough by assessing elevated sediment, nitrogen, and phosphorus levels and recommending in-lake restoration and on-farm treatment measures to address loading from irrigated agricultural lands in the Watsonville Creek watershed. The project will take place in the context of ongoing conservation efforts being implemented by the Elkhorn Slough Foundation and the ESNERR on public and private lands.

Remediation of Pesticides in Oso Flaco Creek

In fall 2023, the Coastal San Luis Resource Conservation District (CSLRCD) removed contaminated sediment in Oso Flaco Creek and upgraded an undersized culvert to prevent further erosion. In February 2024, Central Coast Water Board staff organized a field tour with Central Coast Water Board members, the grantee, landowners, and members of the agricultural community. The CSLRCD is initiating construction of in-channel sediment detention features and on-farm BMPs this construction season. Central Coast Water Board staff continues to manage this implementation project in the Oso Flaco watershed (Grant Number D1913305).

This project was awarded \$769,370 in 2019, and the CSLRCD is providing approximately \$600,000 in matching funds. This year, Central Coast Water Board staff recommended expanding the budget, timeframe, and scope of work to include additional tasks proposed in a previous Planning Grant (Grant Number D1513302) to further remove contaminated sediments upstream of Oso Flaco Lake. The funding has been preliminarily approved by State Water Board staff but is pending USEPA concurrence before being awarded later this year. Construction for this work is anticipated in 2027.

Sediment Reductions in Chorro and Los Osos Creeks

The CSLRCD constructed 20,000 feet of riparian fencing, alternative stock watering systems, head cut repairs, and improved farm practices in the Morro Bay watershed. Central Coast Water Board staff continues to manage this implementation project (Grant Number D2113308).

This project was awarded \$799,998 in spring 2021, and the CSLRCD is providing \$175,000 in matching funds. Central Coast Water Board staff recommended additional funding and a time extension to allow for optimal plant establishment following construction and revegetation at the implementation sites. Additional funds would also be used to identify and implement more practices (e.g., a denitrifying bioreactor) and conduct an additional NPS field tour and site visit. The funding has been preliminarily approved by State Water Board staff but is pending USEPA concurrence before being awarded later this year. Construction for this work will be completed in 2026.

San Lorenzo River Targeted Sediment Reduction

The Resource Conservation District of Santa Cruz County (RCDSCC) constructed home drainage improvements, streambank repairs, and rural road culvert upgrades to reduce sediment loading in the San Lorenzo River watershed. In August 2023, Central Coast Water Board staff toured pre-construction sites with the RCDSCC and landowners. Central Coast Water Board staff continued to manage this implementation project in the San Lorenzo River watershed (Grant Number D1913304). This project was awarded \$799,913, and the RCDSCC is providing approximately \$420,000 in matching funds.

Lower Salinas Water Quality Improvement

The Resource Conservation District of Monterey County (RCDMC) collaborated with Central Coast Water Quality Preservation Inc. (Preservation Inc.), the Central Coast Wetlands Group, partnering landowners, Tailwater Systems Inc., and other organizations to complete the project. The project funded construction of a large woodchip bioreactor in tandem with on-farm water and nutrient management tracking, purchase of a mobile bioreactor, and installation of additional soil and wetland vegetation treatment systems in a multi-chamber complex. In addition, the project funded an effort that streamlined permitting within the County of Monterey.

This project was awarded \$509,117, and the RCDMC and partners provided \$322,225 in matching funds. Central Coast Water Board staff closed out this implementation project in the Salinas River watershed (Grant Number D1813303) in spring 2023.

Projects Protecting High-Quality Waters

Scott Creek Post-Fire Recovery Sediment Prevention and Forest Management

Peninsula Open Space Trust (POST) and project partners replaced road crossings in the San Vicente Redwoods with the highest potential for catastrophic failure and sediment discharges to Scott Creek, a high-quality water.

Central Coast Water Board staff continued to manage this implementation project in the redwood habitat of the Scott Creek watershed (Grant Number D2113307). This project was awarded \$799,825 and POST provided \$303,500 in matching funds.

POST identified additional high priority sites to implement rural road improvements and restore stream crossings to restore anadromous fish habitat in Scott Creek. Central Coast Water Board staff recommended additional funding and a time extension to further prioritize and select a minimum of eight of the highest priority sites, finalize permits and designs, implement the practices, and host a field tour and site visits. The funding has been preliminarily approved by State Water Board staff and is pending USEPA concurrence before being awarded later this year. Construction is anticipated in 2026.

Carpinteria Creek Sediment Reduction and Habitat Enhancement

South Coast Habitat Restoration (SCHR) performed work stabilizing floodplains and streambanks, installing rock slope protection, replanting native vegetation, and restoring stream channels to restore habitat for Southern California Steelhead Trout and to reduce erosion in Carpinteria Creek, a high-quality water, following a wildfire.

In January 2023, the project was severely damaged and emergency repairs were conducted at two of the six sites. Central Coast Water Board staff coordinated with the State Water Board and SCHR to evaluate storm damage to project sites and document the outcomes and lessons learned as part of completing the project.

Central Coast Water Board staff closed out this implementation project in the Carpinteria Creek watershed (Grant Number D2013306) in spring 2024. This project was awarded \$789,653, and SCHR provided \$35,000 in matching funds.

National Water Quality Initiative

National Water Quality Initiative⁶ (NWQI) is a partnership between the Natural Resources Conservation Service (NRCS), USEPA, state agencies, and local partnerships to assess the need for conservation practices and fund implementation.

Central Coast Water Board staff collaborated with the Cachuma RCD, CSLRCD, NRCS, Creek Lands Conservation, and Preservation, Inc. to develop an application for NWQI planning funding for the Lower Santa Maria Valley. In spring 2024, \$50,000 was awarded to develop a planning and assessment report. This effort will build on and leverage prior NWQI efforts in the adjacent Oso Flaco watershed.

State Water Board Funding Programs

The State Water Board Division of Financial Assistance (DFA) administers a number of funding programs supporting wastewater, recycled water, and drinking water

⁶ <https://www.nrcs.usda.gov/programs-initiatives/national-water-quality-initiative>

infrastructure projects in addition to other water quality protection and restoration projects.

Central Coast Water Board staff participates in various aspects of project development and review to ensure consistency with permit requirements and alignment with regional priorities. State Water Board staff manages the projects and Central Coast Water Board staff provides input, including participation on some project's Technical Advisory Committees (TACs). The State Water Board administers several funding programs including the State Revolving Fund (SRF) and the Safe and Affordable Funding for Equity and Resilience⁷ (SAFER) in addition to several other grant programs. For more information, please see the DFA website.⁸

State Revolving Fund

The State Water Board uses the Clean Water SRF⁹ and the Drinking Water SRF¹⁰ policies and guidelines to administer many grant and low interest loan programs. The Intended Use Plans (IUPs) describe the State Water Board's plan for implementing the SRFs and some complementary grant programs. The annual Clean Water SRF IUP and Drinking Water SRF IUP identify the projects the State Water Board plans to fund through the SRF programs during the fiscal year. The State Water Board accepts applications on a continuous basis for various projects, such as the construction of municipal sewage, water recycling, and drinking water facilities.

This year, the State Water Board, USEPA, and Central Coast Water Board staff met with project proponents in the Salinas Valley to discuss implementing requirements of the Central Coast Water Board's Agricultural Order with support from Clean Water SRF funding. Project proponents included Preservation Inc., Central Coast Wetlands Group, and landowners and irrigated agriculture operators. Clean Water SRF funding can support implementing Best Management Practices to reduce NPS loading from irrigated agricultural lands to high priority surface waters in the Salinas Valley that do not currently meet water quality standards. If awarded, the State Water Board will manage the project, with support from Central Coast Water Board staff.

Safe and Affordable Funding for Equity and Resilience

The State Water Board SAFER Program is a set of tools, funding sources, and regulatory authorities designed to ensure that Californians who currently lack safe drinking water receive safe and affordable drinking water as quickly as possible.

State Water Board Grants

The State Water Board Proposition 1 Groundwater Grant Program¹¹ (GWGP) and the Water Recycling Fund Program¹² (WRFP) support projects that clean up or prevent contamination in an aquifer and can provide co-funding for recycled water projects

⁷ https://www.waterboards.ca.gov/board_info/calendar/docs/2024/jul/attachment-sadwfep-summary.pdf

⁸ https://www.waterboards.ca.gov/water_issues/programs/grants_loans/

⁹ https://waterboards.ca.gov/board_info/calendar/docs/2024/jul/attachment_cwsrfiup_summary.pdf

¹⁰ https://www.waterboards.ca.gov/board_info/calendar/docs/2024/jul/attachment_dwsrfiup_summary.pdf

¹¹ https://www.waterboards.ca.gov/water_issues/programs/grants_loans/proposition1/groundwater_sustainability.html

¹² https://www.waterboards.ca.gov/water_issues/programs/grants_loans/water_recycling/

serving small, disadvantaged communities (SDACs). Additional bond funding for drinking water and other opportunities will be on the November ballot.¹³

Central Coast Water Board staff assists the State Water Board staff with reviews of select proposals, ensures permit compliance, and provides input on TACs for projects, such as these:

San Luis Obispo PCE Plume Characterization

The State Water Board awarded \$6.6 million to the City of San Luis Obispo to clean up Tetrachloroethylene (also known as perchloroethylene or PCE) contaminated groundwater. State Water Board staff currently manages this project.

Central Coast Blue Regional Recycled Water Authority

The State Water Board awarded \$13 million to the City of Pismo Beach to implement the Regional Groundwater Sustainability Project. The State Water Board is working with the applicant to secure funding and partnerships to implement the project.

Climate Change

The Central Coast faces the threat and the effects of climate change for the foreseeable and distant future. To proactively prepare and respond, the Central Coast Water Board has launched the Central Coast Water Board's Climate Action Initiative, which identifies how the Central Coast Water Board's work relates to climate change and prioritizes actions that improve water supply resiliency through water conservation and wastewater reuse and recycling; mitigate for and adapt to sea level rise and increased flooding; improve energy efficiency; and reduce greenhouse gas production. The Climate Action Initiative is consistent with the Governor's Executive Order B-30-15 and the State Water Board's Climate Change Resolution 2017-0012.

The Central Coast Region has prioritized evaluating and preparing for the effects of climate change by supporting projects that increase the region's resiliency to climate change and help water resources adapt to climate change. These projects include funding activities, such as the following projects mentioned in this report: stormwater capture and groundwater recharge in the community of Oceano, wetland habitat restoration in the Moro Cojo and Werner Lake watersheds to promote carbon sequestration and post-fire rehabilitation in the Scott Creek and Carpinteria Creek watersheds. These projects are often co-located in underrepresented areas, post-burn environments, high-quality waters, and/or areas draining to Critical Coastal Areas.

Human Right to Water

California Water Code section 106.3, subdivision (a) states: It is a policy of the State of California "that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitation purposes." On January 26, 2017, the Central Coast Water Board adopted Resolution R3-2017-

¹³ <https://calmatters.org/california-voter-guide-2024/propositions/prop-4-climate-bond/>

0004¹⁴ which affirms the realization of the human right to water and the protection of human health as the Central Coast Water Board's top priorities.

The Central Coast Region is committed to identifying and funding implementation practice projects in high priority polluted watersheds. Contaminated surface water and groundwater that is a source of drinking water are often co-located in agricultural areas, tribal lands, and underrepresented communities, such as those in the Salinas River watershed. The region is committed to advancing environmental justice through supporting grant projects that protect the human right to water.

Environmental Justice

Environmental Justice principles call for the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income in the development, adoption, implementation, and enforcement of all environmental laws, regulations, and policies that affect every community's natural resources and the places people live, work, play, and learn. The Central Coast Water Board implements regulatory activities and water quality projects in a manner that ensures the fair treatment of all people, including Underrepresented Communities. Underrepresented Communities include but are not limited to Disadvantaged Communities (DACs), Severely Disadvantaged Communities (SDACs), Economically Distressed Areas (EDAs), Tribes, Environmentally Disadvantaged Communities (EnvDACs), and members of Fringe Communities.¹⁵ Furthermore, the Central Coast Water Board is committed to providing all stakeholders the opportunity to participate in the public process and provide meaningful input to decisions that affect their communities. Staff notify interested parties of funding opportunities for planning and implementation projects.

¹⁴ https://www.waterboards.ca.gov/centralcoast/board_decisions/adopted_orders/2017/2017-0004_hrtw_fnl.pdf

¹⁵ Disadvantaged Community: a community with an annual median household income that is less than 80% of the statewide annual median household income (Public Resources Code section 80002(e)); Severely Disadvantaged Community: a community with a median household income of less than 60% of the statewide average. (Public Resources Code section 80002(n)); Economically Distressed Area: a municipality with a population of 20,000 persons or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons or less with an annual median household income that is less than 85% of the statewide median household income and with one or more of the following conditions as determined by the department: (1) financial hardship, (2) unemployment rate at least 2% higher than the statewide average, or (3) low population density. (Water Code section 79702(k)); Tribes: federally recognized Indian Tribes and California State Indian Tribes listed on the Native American Heritage Commission's California Tribal Consultation List; EnvDACs: CalEPA designates the top 25 percent scoring census tracts as DACs. Census tracts that score the highest five percent of pollution burden scores but do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data are also designated as DACs (refer to the CalEnviroScreen 3.0 Mapping Tool or Results Excel Sheet); Fringe Community: communities that do not meet the established DAC, SDAC, and EDA definitions but can show that they score in the top 25 percent of either the Pollution Burden or Population Characteristics score using the CalEnviroScreen 3.0.

The Central Coast Region is committed to identifying and funding implementation projects in underserved communities, and Central Coast Water Board staff outreach to organizations and eligible entities that work in these areas. Proposals for projects in these communities are prioritized and given reductions in match requirements.

Environmental Justice Action Grants

In fall 2023, Central Coast Water Board staff participated on two interagency review panels for the California Environmental Protection Agency (CalEPA) Environmental Justice Action Grants.¹⁶ The funding is to address environmental and climate decision-making, public health, emergency preparedness, and enforcement. Staff reviewed and scored approximately two dozen grants that will advance environmental justice in underrepresented communities throughout the state. Awarded proposals in the Central Coast Region include the following:

- \$300,000 to the Community Water Center for the project titled, *Integrating impacted community voices in drinking water policy and planning processes*
- \$293,159 to Quail Springs (True Nature Society) for the project titled, *Building the Cuyama Valley Coalition of Water Stewards*
- \$148,429 to Center for Community Advocacy (CCA) for the project titled, *CCA's Housing Program Viviendas*

Homelessness Encampments

Consistent with the five-year NPS Program Implementation Plan, Grants Program staff coordinated with Stormwater Program staff to develop a survey for municipalities to provide information on their efforts to address trash and pathogens associated with homeless encampments. Central Coast Water Board staff will use this information to identify areas eligible for future grant projects to protect and improve water and habitat quality and benefit this marginalized, underrepresented community.

CONCLUSION

It is the Grants Program's overall goal to enhance the Water Boards' ability to focus and leverage its financial resources and to encourage the regulated community to plan and implement activities to comply with Water Board regulations. Grants Program staff will continue to prioritize projects and assist interested parties guided by the priorities and in alignment with the Board's direction to advance environmental justice and build climate change resiliency.

¹⁶ <https://calepa.ca.gov/ejactiongrants/calepa-ej-grants-program-round-1-awardees/>