

STATE OF CALIFORNIA  
REGIONAL WATER QUALITY CONTROL BOARD  
SAN FRANCISCO BAY REGION

STAFF SUMMARY REPORT (Susan Gladstone)  
MEETING DATE: October 11, 2006

ITEM: 14

SUBJECT: GRANTS PROGRAM – Status Report

DISCUSSION: Through the State and Regional Water Board's Grants Program, we have been in the fortunate position of providing local entities with money to directly improve and restore water quality, rather than only imposing regulatory actions to meet requirements or correct problems. This report covers the key aspects of this Region's Grants Program since 1999.

*Background* - Since late 1999, our Grants Program has grown dramatically due to voter approval of three significant bond measures, as well as continued federal funding of grants via Clean Water Act Section 319(h) (Section 319(h)). In the years 2000 and 2002, voter passage of Propositions 13, 40, and 50 authorized the sale of about \$8 billion in bonds to fund a variety of environmental projects, including water quality protection and water resources improvements. As described in a 2005 audit by the Department of Finance, this money is distributed to many state agencies responsible for protecting and preserving California's environmental resources, which in turn, provide funding to federal, state, local, and non-profit entities. Through the Grants Program, entities in this Region have received funding to address nonpoint source pollution, watershed protection, clean beaches, groundwater improvement and protection, agricultural water quality, wastewater construction, and water reclamation. Some of these grants are administered and managed by State Board staff, while others, like nonpoint source pollution and watershed protection, are primarily managed by staff at the Regions. This Region also manages grants with the support of U.S. EPA through Section 319(h) funds for projects related to nonpoint source implementation projects, especially those that address TMDLs.

*Summary of Recent Grant Projects* - In the past six years, our staff has managed over 50 grants; about 30 percent of the projects funded by these grants are completed, with the remainder scheduled for completion during 2007 and 2008. The average length of time for a grantee to complete its project is roughly 3 to 4 years; the amount of a grant ranges from \$80,000 to \$1.3 million, with the average amount around \$400,000. In most cases, the grantee is required to provide a minimum of 20 to 25 percent in matching funds to be eligible to receive grant funds.

The general categories of these grant projects are research and pilot projects; watershed assessment and planning projects; and implementation or 'on the ground' projects. Underlying many of these projects is the drive of local entities or community non-profits to help address TMDLs in impaired water bodies. Many individual grants address multiple water quality programs. Although it is difficult to separate out the types of grant projects in our Region because we generally encourage our applicants to address multiple priorities where appropriate, an overview of the approximate amount of grant funds allocated to general project types (not including matching funds) is described below:

\$6 million has been used to evaluate or implement innovative technologies for urban stormwater management or methods to reduce specific pollutants in urban stormwater runoff. Most of these projects address region-wide problems, or could be models for all municipal stormwater programs.

\$2.6 million has gone to the restoration or protection of beneficial uses through sediment reduction and erosion control projects, mostly in Alameda, Marin, and Sonoma counties.

\$3.3 million has contributed to creek restoration and habitat enhancement projects, including fish passage improvement, in the East Bay, coastal San Mateo, and the North Bay.

\$2.7 million in grant funds has focused on pollutant load reductions, specifically for sediment-, mercury-, and pathogen-impaired water bodies.

\$2 million was granted to Resource Conservation Districts to implement and evaluate the effectiveness of best management practices for nonpoint source pollution, especially for agricultural, ranch land, and dairy stewardship programs.

\$1.1 million has helped to fund local consortiums in Alameda and Contra Costa counties to evaluate the conditions of their watersheds through assessments, and to develop plans and designs for restoring and protecting beneficial uses.

\$1 million has funded education and outreach through volunteer monitoring programs or citizen participation in creek restoration projects in Napa, Marin, and Contra Costa counties.

*Current Round of Grants* - To improve the grant selection process, in late 2005, the State and Regional Water Boards undertook the Consolidated Grants Program, in cooperation with about six other agencies that deal with water supply and quality issues. Through the Consolidated Grants Program, proposals were solicited for six different water quality program areas funded by Propositions 40 and 50 and Section 319(h). These grants are being awarded by the State Board this fall through early 2007, and must be completed by 2008 through 2010.

Last month, the State Board awarded funding for the Consolidated Grants Program in watershed implementation and planning, urban stormwater, and nonpoint source implementation (Proposition 40 and Section 319(h)). Of the nine grants awarded for projects in this region, six were approved for funding in the watershed implementation and planning program: San Anselmo Creek (Marin County), Napa River (Napa County), Pilarcitos and San Gregorio Creeks (San Mateo County), Sausal Creek (Alameda County), and salt pond conversion to wetlands (Santa Clara County). In the urban stormwater program, one project, stormwater improvements for Lake Merritt Channel at 12th Street in downtown Oakland was funded. In nonpoint source implementation, funding was awarded for roads and trails improvements to reduce sediment in the Napa River watershed, and for similar restoration efforts by Students and Teachers Restoring a Watershed (STRAW) in west Marin County.

We are awaiting decisions about grants in the Proposition 50 Agricultural Water Quality and Coastal Nonpoint Source Pollution Control Programs, which will be considered by the State Board in October.

*Outlook for Future Grants* - In future years, the Grants Program is expected to wind down as Proposition 13, 40, and 50 funds are exhausted, but with the expectation that some funding through Section 319(h) will continue. We will also continue to coordinate and participate with other agencies, such as the Department of Water Resources or the Bay-Delta Authority on future solicitations, although these grants are managed by other agencies.

Proposition 84 on the November ballot would raise \$5.4 billion in general obligation bonds for water quality, safety, supply, flood control, and natural resources protection. As currently written, Proposition 84 would provide a small portion of its funding to be administered by the State Board for clean beaches and stormwater runoff.

*Summary* - In a time of decreasing resources for staff management and implementation of our water quality goals, grants have become an invaluable asset to the Board's mission of restoring and protecting the Region's waters. Over the years, grant funds have assisted agencies and communities in watershed planning, education and outreach, as well as resulted in tangible improvements in local water quality. At the same time, grant-funded projects have helped Board staff by increasing the knowledge base and science supporting our water resources and beneficial uses.

RECOMMEN-  
DATION:

No Action Required