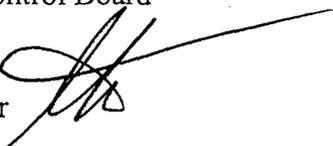




M e m o r a n d u m

Date: April 13, 2000

To: Walt Pettit, Executive Director
State Water Resources Control Board

From: Steven R. Ritchie 
Acting Executive Director

Subject: Proposition 13 Coordination

We have reviewed the State Water Resources Control Board's (SWRCB) BCP related to the implementation of Proposition 13. Based on that review, we have prepared the following comments and recommendations for those programs that are most closely related to the CALFED Bay-Delta Program.

1. State Revolving Fund (SRF) Capitalization Grants Program - \$30.5 million
(\$23.5 for SWRCB and \$7 million for Department of Toxic Substances Control)

Funding Source: State Revolving Fund Loan Subaccount (Chp. 7, Art. 3)

Relationship to CALFED: One of the four CALFED objectives is water quality improvements in the Bay-Delta service area and associated watersheds. CALFED has developed its Water Quality Plan through a collaborative process with state and federal agencies (including the state and regional boards) and interested stakeholders. The water quality actions identified in the Water Quality Plan include both point and nonpoint pollution sources. SWRCB SRF's Program funds corrective actions throughout California to address point and nonpoint pollution. While the geographic scope of SWRCB's SRF Program is broader than the CALFED geographic scope, both programs have the same objective of water quality improvements and propose funding similar types of actions. CALFED has received initial funds through Proposition 204, Federal Bay-Delta Act, and Proposition 13 for several CALFED priority actions, but does not have the funding needed to fully implement all priority actions.

CALFED Agencies

California The Resources Agency
Department of Fish and Game
Department of Water Resources
California Environmental Protection Agency
State Water Resources Control Board
Department of Food and Agriculture

Federal Environmental Protection Agency
Department of the Interior
Fish and Wildlife Service
Bureau of Reclamation
U.S. Geological Survey
Bureau of Land Management
U.S. Army Corps of Engineers

Department of Agriculture
Natural Resources Conservation Service
U.S. Forest Service
Department of Commerce
National Marine Fisheries Service
Western Area Power Administration

It appears that many of the water quality actions proposed by CALFED may not be funded based on the current SRF priority system. CALFED believes a review of the SRF priorities is justified based on the recent nationwide shift in attention to TMDL's (total daily maximum load). EPA and SWRCB have recently increased their focus on improving water quality in areas of impaired water bodies. A TMDL process is in place to set standards for impaired water bodies. The majority of CALFED water quality actions are focused on reducing pollutants discharged to impaired water bodies including the Delta and several associated watersheds. A review and possible change in priorities under the SRF Loan Program to focus on impaired water bodies may be appropriate and result in funding continuing to address the most critical water quality problems. As required by recent legislation (AB 982) the SWRCB will be establishing an advisory group to advise them on the water quality programs including the TMDL program. CALFED would like to participate in the advisory group to increase interagency coordination.

Recommended Language to Amend Program Plans:

- "SWRCB, RWQCB and the CALFED Bay-Delta Program staff will work closely to coordinate the SRF Loan Program with the CALFED Water Quality Program to avoid conflicts and maximize joint benefits."
 - "SWRCB will review the SRF priority list for all loans and make changes to reflect the critical need to improve impaired water bodies in the state (as identified by EPA 303d list)."
 - "SWRCB will cooperate with the CALFED Bay-Delta Program staff who will be responsible for preparing a report to the CALFED Policy Group on Program coordination efforts."
2. Wastewater Construction Grants Program - \$35.5 million

Funding Source: Wastewater Construction Subaccount (Chp. 7, Art. 3)

Relationship to CALFED: Proposition 13 specifically targets the funding in the Wastewater Construction Program to Delta cities (i.e., Manteca, Stockton, Tracy, and Orange Cove). The CALFED Water Quality Program has a strong focus on improving water quality in the Delta, and has and will continue to provide funding for studies and projects in this region. To identify and coordinate drinking water quality improvements, CALFED has established a Delta Drinking Water Council (DDWC). DDWC is an advisory group consisting of agency and stakeholder interests related to Delta water quality.

Recommended Language to Amend Program Plans:

- "SWRCB, RWQCB and the CALFED Bay-Delta Program staff will work closely to coordinate the Wastewater Grant Program with the CALFED Water Quality Program to avoid conflicts and maximize joint benefits."
 - "SWRCB will present the funding priorities and grant requirements to DDWC for comment and advice prior to soliciting grant applications."
 - "SWRCB will cooperate with CALFED Bay-Delta Program staff who will be responsible for preparing a report to the CALFED Policy Group on Program coordination efforts."
3. Watershed Protection Programs - \$90 million

Funding Source: Watershed Protection Account (Chp. 6, Art. 2)

Relationship to CALFED: The CALFED Watershed Program promotes the use of a comprehensive, integrated, basin-wide approach to help achieve all four of CALFED's objectives - water quality, water supply reliability, ecosystem restoration, and levee integrity. The Program focuses on supporting local community based efforts as a means of implementing many aspects of the CALFED Program. An important element is a financial assistance program targeted at local watershed organization, planning, projects, monitoring, and education programs.

The SWRCB Watershed Protection Program established by Proposition 13, focuses on all the same program objectives as CALFED but in a larger geographic area. While SWRCB's geographic scope is broader, there are significant possibilities that this funding could address CALFED priorities and targeted actions in many of the CALFED Program areas. CALFED Bay-Delta Program watershed improvements in many cases would result in significant environmental and public benefits because of the large reliance on the Delta for many beneficial uses.

Recommended Language to Amend Program Plans:

- "SWRCB, RWQCB and the CALFED Bay-Delta Program staff will work closely to coordinate SWRCB Watershed Program with the CALFED Watershed Program to avoid conflicts and maximize joint benefits."

- "SWRCB will rely on technical assistance from other agencies and nongovernmental entities for those areas typically not included in their programs. Therefore, SWRCB will establish a technical team to advise SWRCB on funding criteria, priorities, and project selection. The technical team will consist of agencies and nongovernmental entities with expertise in the Program areas - water quality, ecosystem restoration, water supply, and flood control. Final approval of Program priorities and selection rests with SWRCB, but SWRCB's staff will submit the technical team recommendations to SWRCB for consideration prior to a decision."
 - "SWRCB will cooperate with CALFED Bay-Delta Program staff who will be responsible for preparing a report to the CALFED Policy Group on Program coordination efforts and the level of consistency with the CALFED Bay-Delta Program. CALFED staff will submit the recommendations by the technical team, regarding Program priorities and project selection, to the CALFED Policy Group for review and comment prior to final decision by SWRCB."
4. Nonpoint Source Pollution Control Program -\$100 million

Funding Source: Nonpoint Source Pollution Control Subaccount (Chp. 7, Art 2)

Relationship to CALFED: The CALFED Water Quality Program has identified nonpoint source pollution control actions to address CALFED objectives. The SWRCB Nonpoint Source Program will be proposing similar actions but in a broader geographic area. While SWRCB's program is statewide, Proposition 13 requires 40% of the funds to be available for Northern California nonpoint source pollution projects. This funding could provide significant support to CALFED actions.

Priority CALFED actions related to nonpoint source control have been identified in consultation with state and federal agencies, interested stakeholders, and the general public. CALFED has convened a Drinking Water Constituents Work Group (for technical agency and stakeholder input), and the Delta Drinking Water Council (for agency and stakeholder policy advice). Because the sources of nonpoint pollution are broad, including both agriculture and municipal, these multi-disciplinary groups have provided necessary input and advise to guide the Program and provide needed coordination. Many of the same issues and actions being addressed by these CALFED groups are also being addressed by SWRCB Nonpoint Source Pollution Control Program.

Recommended Language to Amend Program Plans:

- “The Nonpoint Source Pollution Control Program will coordinate with the CALFED Water Quality Program to avoid conflicts, reduce duplication, and to maximize joint benefits.”
- “The SWRCB nonpoint Source Pollution Control Program will address issues and propose actions that are also being addressed by other state and federal agencies. Therefore, SWRCB will need to coordinate with and rely on the expertise of other state and federal agencies and nongovernmental experts. SWRCB will establish a technical team to advise SWRCB on funding criteria, priorities and project selection. The technical team will consist of agencies and nongovernmental organizations with expertise in agricultural and municipal nonpoint Source Pollution Control Programs (e.g., Department of Food and Agriculture, Department of Pesticide Regulation, and the CALFED Bay-Delta Program). Final approval of Program priorities and selection rests with SWRCB, but SWRCB staff will submit the technical team recommendations to SWRCB for consideration prior to a decision.”
- “SWRCB will cooperate with CALFED Bay-Delta Program staff who will be responsible for preparing a report to the CALFED Policy Group on Program coordination efforts and the level of consistency with the CALFED Bay-Delta Program. CALFED staff will submit the recommendations by the technical team regarding Program priorities and project selection to the CALFED Policy Group for review and comment prior to a final decision by SWRCB.”

5. Water Recycling Program - \$40 million

Funding Source: Water Recycling Subaccount (Chp. 7, Art. 4)

Relationship to CALFED: The CALFED Water Recycling Program is focused on identifying and removing barriers to water recycling to increase local implementation of recycled water projects.

The CALFED Recycling Program is still being developed. CALFED is working with state, federal, local agencies, and interested stakeholders to develop the CALFED Recycling Program. CALFED is reviewing existing state and federal financial assistance programs to identify any barriers that may exist to distributing these funds to desirable recycling projects.

SWRCB manages the Primary Water Recycling Loan and Grant Program for the state. The basic objectives and geographic scope of the CALFED and SWRCB Program are the

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same and therefore should be closely coordinated. CALFED will rely on SWRCB and federal financial assistance programs to meet the CALFED objectives.

Recommended Language to Amend Program Plans:

- "The programs and funding included in the water recycling budget will be coordinated with the CALFED Bay-Delta Program, other state and federal agencies, and interests to avoid conflicts and maximize joint benefits."
- "SWRCB will solicit advice on Program priorities, criteria, and project selection from an advisory team of agency and nonagency interests and experts in water recycling. Recommendations from the advisory team will be submitted to SWRCB for consideration before a final decision by SWRCB."
- "SWRCB will cooperate with CALFED Bay-Delta Program staff who will be responsible for preparing a report to the CALFED Policy Group on Program coordination efforts and the level of consistency with the CALFED Bay-Delta Program. CALFED staff will submit the recommendations of the advisory group regarding Program priorities and project selection to the CALFED Policy Group for review and comment prior to a final decision by SWRCB."

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