

COASTAL CONSERVANCY

Staff Recommendation
September 15, 2004

Monterey Bay Sanctuary Water Quality Protection Program

File No. 04-066
Project Manager: Trish Chapman

RECOMMENDED ACTION: Authorization to disburse \$200,000 to the Monterey Bay Sanctuary Foundation to implement projects under the Monterey Bay National Marine Sanctuary Water Quality Protection Program.

LOCATION: San Mateo, Santa Cruz, Monterey, and San Luis Obispo Counties

PROGRAM CATEGORY: Resource Enhancement

EXHIBITS

Exhibit 1: Project Location and Site Map

Exhibit 2: Letters of Support

RESOLUTION AND FINDINGS:

Staff recommends that the State Coastal Conservancy adopt the following resolution pursuant to Sections 31251-31270 of the Public Resources Code:

“The State Coastal Conservancy hereby authorizes the disbursement of an amount not to exceed two hundred thousand dollars (\$200,000) to the Monterey Bay Sanctuary Foundation (MBSF) to implement portions of the Monterey Bay National Marine Sanctuary (MBNMS) Water Quality Protection Program, subject to the condition that prior to the disbursement of any funds, MBSF shall submit for review and approval of the Executive Officer of the Conservancy a work program, budget, schedule and any contractors or subcontractors to be employed for these tasks.”

Staff further recommends that the Conservancy adopt the following findings:

“Based on the accompanying staff report and attached exhibits, the State Coastal Conservancy hereby finds that:

1. The proposed project is consistent with the purposes and criteria set forth in Chapter 6 of Division 21 of the Public Resources Code (Sections 31251-31270) regarding enhancement of coastal resources.

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2. The proposed project is consistent with the guidelines and criteria set forth in the Conservancy's Project Selection Criteria and Guidelines adopted on January 24, 2001.
 3. The Monterey Bay Sanctuary Foundation is a nonprofit organization existing under Section 501(c)(3) of the United States Internal Revenue Code, whose purposes are consistent with Division 21 of the Public Resources Code.”
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PROJECT SUMMARY:

The proposed project will provide a grant of \$200,000 to the Monterey Bay Sanctuary Foundation (MBSF) to implement several actions identified as priorities in the Monterey Bay National Marine Sanctuary (MBNMS) Water Quality Protection Program (WQPP). The MBNMS encompasses over 5,000 square miles of ocean along 276 miles of the coast, and supports one of the world's most diverse marine ecosystems. The MBNMS receives drainage from approximately seven-thousand square miles of land, and is susceptible to impacts from non-point, urban, rural, and agricultural sources of pollution. Monitoring has shown that while offshore areas of the MBNMS are in relatively good condition, nearshore coastal areas suffer from a number of water quality problems and associated biological impacts.

The WQPP is a collaborative effort of federal, state, and local agencies, the agricultural and business communities, and environmental organizations. The primary goal of the WQPP is to develop and implement strategies to improve water quality and reduce the impacts on the Sanctuary's biological resources. The proposed project will implement an initial set of actions identified by the WQPP Committee as priorities for improving water quality from both urban and agricultural runoff. The primary goals of the proposed project are to:

- Reduce contaminated runoff from irrigated agricultural lands;
- Reduce erosion and sedimentation from rural and private roads;
- Improve the quality of urban runoff;
- Reduce bacterial contamination at local beaches.

Project components to address urban and agricultural runoff are described separately below.

Agricultural and Rural Lands Actions

Monitoring of Central Coast water bodies has shown that agricultural activities are a persistent source of contamination, particularly of sediment, fertilizers, and persistent pesticides. The WQPP Agricultural and Rural Lands Action Plan outlines 24 strategies to reduce runoff and improve water quality, focusing on implementation of voluntary on-farm conservation practices. These strategies were designed with the dual goal of protecting and enhancing water quality in the Sanctuary, while also sustaining the economic viability of agriculture.

As part of the proposed project, the MBSF will contract with the University of California Cooperative Extension (UCCE) and the Coalition of Central Coast Farm Bureaus (FB) to offer a series of workshops for farmers on recognizing existing water quality problems on their farms and identifying and implementing appropriate management practices to address them. Farmers will also be introduced to technical assistance staff from UCCE, the FB, and the local Resource Conservation Districts (RCDs). One or more of the workshops will be offered in Spanish. The

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intended outcome of the workshops is for farmers to develop and implement site specific Farm Water Quality Management Plans.

Urban Runoff Actions

The WQPP Urban Runoff Action Plan seeks to reduce non-point source urban runoff through a combination of end-of-pipe treatments and source control programs. The proposed project will focus on reducing contamination at its source through a series of technical trainings aimed at three specific audiences and designed to address activities and behaviors that are significant sources of contamination:

- **Municipal operations:** MBSF will offer a series of workshops for regulatory personnel, commissions, consultants, and developers whose decisions or projects affect coastal resources. Each session will have a classroom and field component, and will be designed so that attendees are actively engaged and provided with technically correct and up to date information. The workshops will be tailored to meet the specific needs of individual municipalities, including detecting illicit storm sewer connections, dealing with stormwater for road crews or sewer crews, development of stormwater best management practices (BMPs) for planners and planning commissioners, and construction BMPs.
- **Restaurant/Automotive operations.** Restaurant and automotive businesses have been targeted for special attention because these two industries have the potential to affect water quality through the improper use and disposal of detergents, hazardous materials, fats, oils and grease. MBSF will work with the Monterey Bay Area Green Business Program to develop an incentives-based program to reduce contamination from these businesses. Through consumer recognition of environmentally responsible businesses, this program will give a competitive advantage to those businesses which participate in efforts to improve water quality protection. Funds will be used to conduct water quality audits, demonstrate and install water quality devices, and assist restaurant and automotive businesses to implement best management practices in order to reduce impacts on local water quality.
- **Plumbers' workshops.** Sewage spills from private and publicly-owned sewer pipes are the number one cause of beach closures in the Sanctuary. The Sanctuary's Beach Closure Action Plan recognizes that plumbers can assist local jurisdictions in avoiding or minimizing the impacts of spills, and calls for outreach to this professional group. The City of Pacific Grove piloted an effort within the Sanctuary to educate plumbers about water quality issues and enlist them in the City's efforts to reduce the amount of sewage reaching the Bay. MBSF will expand on this successful effort by organizing plumbers' workshops elsewhere in Monterey and Santa Cruz counties.

The proposed project will also support regional water quality monitoring efforts by providing funds for testing equipment and laboratory analyses.

Program management and administration for the proposed project will be a collaborative effort between the MBNMS and its nonprofit partner MBSF, who will serve as the project's fiscal sponsor. MBSF has extensive experience in managing Sanctuary and water quality projects involving the coordination of multiple partners, and has been a strong partner to the WQPP.

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Site Description: The Monterey Bay National Marine Sanctuary (MBNMS) is a federally protected marine area offshore of California's central coast. Stretching from Marin to Cambria, the MBNMS encompasses a shoreline length of 276 miles and 5,322 square miles of ocean. Supporting one of the world's most diverse marine ecosystems, it is home to numerous mammals, seabirds, fishes, invertebrates and plants in a remarkably productive coastal environment. The MBNMS receives drainage from approximately eleven major watershed areas, including runoff from urban, rural, and agricultural sources.

Monitoring has shown that the MBNMS's nearshore coastal areas, harbors, lagoons, estuaries and tributaries suffer from a number of problems including elevated levels of nitrates, sediments, persistent pesticides, metals, bacteria, pathogens, detergents, and oils. These contaminants can have a variety of biological impacts including bioaccumulation, reduced recruitment of anadromous species, algal blooms, mortality due to toxicity, transfer of pathogens to wildlife and humans, and interference with recreational uses of the MBNMS.

The agricultural lands of California's Central Coast sustain a 3.5 billion dollar agricultural industry which produces over 200 types of crops. Rolling grazing lands occupy the slopes of these valleys and much of the Bay's watersheds, sustaining a cattle industry, providing habitat for wildlife, and improving recharge of local water supplies. Agriculture and the Sanctuary's plants and animals are linked by the drainage patterns of the local watersheds. As water flows through the agricultural and rural landscape, it picks up pollutants such as sediments, nutrients and persistent pesticides, and carries them out to coastal wetlands and the nearshore environment. For the proposed project, MBNMS will focus on 14 of the Sanctuary's subwatersheds which have been identified as priorities for improvement of agricultural water quality.

Monitoring and analysis in both the nearshore environment and coastal watersheds indicates that urban runoff is one of the leading causes of water pollution affecting the MBNMS. This monitoring has revealed high concentrations of nutrients, metals, pathogens, detergents and other contaminants in local creeks and rivers as well as in the numerous urban outfalls that drain into the MBNMS. Growing evidence suggests that these contaminants are having an adverse impact on MBNMS resources. Toxicity analysis has shown that in most locations sampled, urban runoff is toxic to test organisms representative of those found in the MBNMS. In addition, research into increased mortality among the threatened southern sea otter population suggests that protozoa introduced to the marine environment via runoff from land-based sources may contribute to this mortality rate.

Project History: In 1992, the Monterey Bay National Marine Sanctuary was designated by Congress and the National Oceanic and Atmospheric Administration (NOAA) for the purpose of resource protection, research, education, and public use. Concurrent with the Sanctuary's designation, eight key water quality agencies entered into a Memorandum of Agreement establishing a Water Quality Protection Program for the MBNMS. Through the WQPP, five stakeholder-derived, issue-orientated action plans were developed aimed at the reduction and control of non-point source pollution: 1) Implementing Solutions to Urban Runoff; 2) Regional Monitoring, Data Access, and Interagency Coordination; 3) Marinas and Boating; 4) Agricultural and Rural Lands Plan; and 5) Beach Closure and Microbial Contamination. Through development of the action plans, the WQPP has grown to a partnership of over twenty-five federal, state and local agencies, the agricultural industry, and public and private groups, all

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dedicated to working together to protect and enhance water quality in the MBNMS and its watersheds.

In 2003, the MBNMS approached the Conservancy about funding for the WQPP. Conservancy staff has been working with the Sanctuary to identify priority projects from the five water quality action plans that specifically address impacts to coastal resources. The proposed project is the first set of WQPP projects to be presented to the Conservancy. Staff anticipates recommending funding for additional WQPP projects, through grants given either directly to the Sanctuary or to one of the WQPP's partner agencies, such as a local RCD or municipality.

PROJECT FINANCING:

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|--------------------------------------|------------------|
| Coastal Conservancy | \$200,000 |
| NOAA | \$50,000 |
| U.C. Cooperative Extension (in-kind) | 37,800 |
| NRCS/RCD (in-kind) | 22,275 |
| MBSF (in-kind) | 7,575 |
| Local municipalities (in-kind) | 84,000 |
| Ecology Action | 71,305 |
| Central Coast Farmers | 25,000 |
| Total Project Cost | \$497,955 |

Conservancy funds are expected to come from the California Beach and Coastal Enhancement Account, California License Plate Fund. The proposed project is consistent with the purposes for which this Fund may be used – to undertake coastal natural resource and enhancement projects consistent with Division 21 of the Public Resources Code.

CONSISTENCY WITH CONSERVANCY'S ENABLING LEGISLATION:

This project would be undertaken pursuant to Chapter 6 of the Conservancy's enabling legislation (California Public Resources Code, Sections 31251-31270). Pursuant to Section 31251, the Conservancy may award grants to nonprofit organizations to enhance coastal resources that have suffered loss of natural value due to human-induced events. By enhancing water quality in the MBNMS and its watershed, the proposed project will help preserve the Sanctuary's biological resources that have been impacted by the effects of human activity.

Pursuant to Section 31251.2, the Conservancy may award a grant to enhance a watershed resource that is partly outside of the coastal zone in order to enhance resources within the coastal zone. The WQPP will address MBNMS watershed areas within and partially outside of the coastal zone. Activities under the WQPP, however, are intended to improve water quality throughout the watershed and directly benefit natural resources located within the coastal zone. As also required by Section 31251.2, the Conservancy's assistance has been requested by the WQPP committee, which include all of the local municipalities within the project area.

As required by Section 31252, the proposed project is consistent with the MBNMS Management Plan which the California Coastal Commission has determined is consistent with policies and objectives of Division 20 (commencing with Section 30000) of the California Public Resources Code. The Management Plan called for development of a Water Quality Protection Program for

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the Sanctuary. The proposed project is part of the WQPP.

Consistent with Section 31253, the amount of funding recommended for the proposed project is based on the total amount of funding available for coastal resource enhancement projects, the fiscal resources of the applicant and its project partners, and the urgency of the project relative to other eligible coastal resource enhancement projects.

Consistent with Section 31255, MBSF submitted a proposal for the proposed project to the Conservancy.

CONSISTENCY WITH CONSERVANCY'S STRATEGIC PLAN GOAL(S) & OBJECTIVE(S):

Consistent with **Goal 6 Objective B**, the proposed project will improve water quality within the watersheds and coastal waters of the Monterey Bay Sanctuary.

Consistent with **Goal 7 Objective B**, the proposed project will help reduce impacts of agricultural operations on wildlife habitat and water quality within the watersheds of the Monterey Bay Sanctuary.

CONSISTENCY WITH CONSERVANCY'S PROJECT SELECTION CRITERIA & GUIDELINES:

The proposed project is consistent with the Conservancy's Project Selection Criteria and Guidelines adopted January 24, 2001, in the following respects:

Required Criteria

1. **Promotion of the Conservancy's statutory programs and purposes:** See the "Consistency with Conservancy's Enabling Legislation" section above.
2. **Consistency with purposes of the funding source:** See the "Project Financing" section above.
3. **Support of the public:** The proposed project has been developed through a collaborative process among federal, state, and local agencies, the agricultural and business communities, and local environmental groups. Supporters include NOAA, the Natural Resources Conservation Service (NRCS), Central Coast Regional Water Quality Control Board, California Coastal Commission, the Coalition of Central Coast Farm Bureaus, U.C. Cooperative Extension, Monterey Bay Green Business Task Force, Sanctuary Citizens Watershed Monitoring Network, and local municipalities.
4. **Location:** The proposed project will address conditions within and adjacent to the coastal zone of San Mateo, Santa Cruz, Monterey, and San Luis Obispo counties. The primary goal of the proposed project is to improve water quality in the MBNMS in order to protect and enhance the Sanctuary's coastal biological resources.
5. **Need:** NOAA provides limited funding for staffing the MBNMS, but the Sanctuary must secure outside funding to implement specific projects. Without Conservancy funding, the actions which compose the proposed project could not be implemented at this time.

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6. **Greater-than-local interest:** The MBNMS is the nation's largest marine sanctuary and is home to the nation's largest kelp forest, one its largest underwater canyons, and an enormous diversity of fish or wildlife, including 22 threatened or endangered species. Protecting the Sanctuary's marine ecosystem is of state, national, and global importance.

Additional Criteria

7. **Leverage:** See the "Project Financing" section above.
8. **Readiness:** MBSF is ready to begin the proposed project immediately.
9. **Cooperation:** The MBNMS Water Quality Protection Program is a model of cooperation among federal, state, and local agencies, as well as the agricultural, business, and environmental communities. The WQPP action plans are unique in that they integrate the mandates and expertise of existing coastal and ocean resource managers, bring together public agencies and private industry, and leverage limited resources in order to protect the nationally significant resources and compatible uses of the MBNMS.

COMPLIANCE WITH CEQA:

The proposed authorization does not have the potential to result in any physical changes to the environment and therefore is not a "project" subject to the California Environmental Quality Act, as provided in 14 California Code of Regulations Section 15378.