

**To the Central Coast Agricultural Community.**  
**Please forward this newsletter**  
**to other area farmers**

**Monitoring:** Monitoring is a condition of the Ag Waiver and is required by California Water Code §13269. Growers have the option of performing individual monitoring or participating in the cooperative monitoring program. Individual monitoring requires the operator to monitor each farm and to start monitoring by October 1, 2005.

**Cooperative Monitoring Program (CMP):** The CMP is a region wide monitoring program managed by CCWQP. During the first year, 2005, there are 25 monitoring locations. Monitoring during the first year is supported through settlement funds and grants, at no cost to the growers. During 2006 through 2008 it is anticipated that Proposition 40 and 50 grant distributions will pay for about 70% of the cost of monitoring at 50 sites. The nature and scope of the monitoring is designated by the Regional Water Quality Control Board, Region 3 (RWQCB). Some of these sites may be managed by third parties, such as UCSC or waste treatment facilities, which may reduce overall costs of the program. The balance of the cost of the CMP will be through fees collected by CCWQP.

**Central Coast Water Quality Preservation, Inc. (CCWQP)** has the responsibility to conduct the CMP. It also has the responsibility to adopt a cost allocation schedule, collect fees, for monitoring and administrative purposes, receive and manage grant funds and maintain current lists of participating growers. Monitoring results and standard review are submitted to the monitoring committee before CCWQP takes any action. Similarly the cost allocation structure was proposed to the CCWQP by the ag committee after being developed by the cost allocation committee.

**Definitions:**

**Applicant/Operator:** The applicant/operator is the company or individual that conducts and manages farming on a parcel or parcels.

**Irrigated Acres:** Total property farmed, less roads, drainage, non-irrigated agriculture and non-agricultural uses. *(Please note: The NOI referred to Stormwater acres, however RWQCB has defined this to be all irrigated acres, so we modified the language to be more consistent with actual English)*

**Tailwater acres:** Fields where water leaves the property on the surface or through drains during irrigation, (irrigated return water) by any means including, tile lines, ditches, or drains. This acreage does NOT include water retained on site in ponds.

**Agricultural Waiver and Notice of Intent (NOI) filings:** Most farm operators filed an NOI with the Region 3 Regional Water Quality Control Board RWQCB in January, 2005. This form, whether filled in on paper or via the internet, sought to determine a classification for your farm. It asked many questions that were helpful for RWQCB but not necessary for the administration of the CMP. The data obtained from the NOI forms initially contained significant discrepancies.

CCWQP reviewed the data with RWQCB, and they agreed to allow NOI holders the opportunity to amend key portions of the NOI, dealing with acreage subject to CMP funding. During the review process CCWQP discovered that the use of the word *Stormwater Acres* was the same as *Total Net Irrigated Acres*. It is the intent of RWQCB that all irrigated acres participate in the CMP. If you used the ranch acres on the NOI, you can save by amending to show only the irrigated acres.

**Opportunity to Amend NOI:** RWQCB will be sending each person or entity that filed an NOI a letter giving the operator an opportunity to correct any errors as to acres, billing name or address. Please return this form to correct any errors that may impact your farm filings. RWQCB staff will deem the original NOI correct if no amended NOI is timely returned to RWQCB.

**State Water Quality Control Board mandated fee:**

To raise revenue for staff positions to oversee the farm water use the State Board enacted a fee to be paid by all ag dischargers (NOI holders) which varies depending on how it is collected:

1. 30¢/acre/year plus \$100 per farm (not operator), or
2. 20¢/acre/year plus \$100 per farm the farmer is a member of a State Bd. recognized group, or
3. 12¢/acre/year if the NOI holder is a member of a group that pays an annual \$100 fee (for the group) and manages fee collection and payment.  
RWQCB has designated CCWQP as this group for the Central Coast. The State Bd. allows the group to charge an administrative fee to defray the costs of collection.

CCWQP has been asked by RWQCB to apply to the State Bd. to collect these fees (CCWQP has not formally applied to the State Bd.) As payment through CCWQP will save each operator, and as we will be billing each operator for the CMP fees, it seems to be most efficient, and cheaper for farmers, if CCWQP collects the State Bd. fees.

The Cost Allocation Committee and the Ag Committee proposed a fee structure to the CCWQP board. The CCWQP board adopted the following fee structure, subject to determination of the actual participating acreage. The CCWQP board included collection of the State Bd. fees.

**Organization, Policies and Procedure:** As part of the establishment of the ag waiver program by the RWQCB the agricultural community agreed to set up an entity to manage the CMP. The members of the ag community that worked on the formulation of the waiver program believed that farmers would be better served, for less money, if they oversaw the CMP, in lieu of RWQCB oversight and management.

The ag committee and members of the local ag community, mostly from Monterey County, became the initial incorporators of CCWQP. CCWQP became a non-profit corporation. In 2005 the present board was selected to represent all of the counties within Region 3. Simultaneously, in order to meet strict guidelines established by RWQCB, the ag committee, cost allocation committee and monitoring committees met to address start-up issues.

This process, while very effective, lacked traditional organizational structure. One of the major reasons for creation of CCWQP was to create a corporation which would provide a legal shield, as an entity, protecting its members and participants from direct liability. Unincorporated associations, like the ag or monitoring committees do not provide such limits on personal liability of their members. In order to extend this umbrella of protection, the committees must be part of CCWQP. However, to keep the process responsive to local needs, benefit from individual experience and keep costs down, continuing the existing committee structure will reduce the need for CCWQP to take on many tasks directly.

For example, this Autumn, the CMP will conduct follow-up monitoring in the northern and southern districts. The monitoring committee could meet to consider sites desired by RWQCB staff. CCWQP staff will provide technical assistance, as we have funding for this type of participation. The monitoring committee determines the best course of action and makes a recommendation to the ag committee. The ag committee, exercising their experience reviews, and possibly adjusts the recommendation, votes on a proposal and passes it to the CCWQP as the preferred recommendation. Staff of CCWQP, directly and through hired contractors, would implement the follow-up monitoring.

### PROPOSED FEE STRUCTURE

#### Monitoring Fee

- Type 1 Irrigated Acres Total  
\$1.00 per acre (as shown in NOI)
- Type 2 Off Property Tailwater Acres an additional  
\$1.00 per acre (as shown in NOI)

#### Annual Administrative Fee per operator

- Number of Acres per NOI
- 50 acres or less \$50.00
- 51 acres to 499 acres \$1.00 per acre
- 500 or more acres \$500.00 plus \$.10 per acre over 500 acres

**State Board Fee** \$0.15 per irrigated acre as follows:  
\$0.12 per acre of irrigated land per NOI. This is a straight pass through to the State Board, along with the CCWQP annual payment of \$100.  
\$0.03 per acre State Board fee administrative costs

Under the *proposed* fee structure a farmer with 2 farms totaling 100 acres, 1/2 with tailwater, would pay:

- ❖ Monitoring fee: 50x\$1 = \$50 plus 50x\$2 = \$100 for a total of \$150
- ❖ State fee: 100x15¢ = \$15
- ❖ Administrative fee: 100x\$1 = \$100
- ❖ **Total = \$265/year**

Now the same farmer has the alternative of self monitoring. This will be ugly, but for those who march to a different drummer, it is an option. The low end estimated monitoring costs will be about:

- ★ Tailwater, 1 farm = \$1,940.
- ★ Tailwater pond = \$120
- ★ Stormwater, 2 farms, = \$7,480
- ★ Mandated quality assurance review (one time) = \$5,380
- ★ Sampling/reporting and program management = \$2,500
- ★ State fee (\$100 + 30¢/acre) = \$130
- ★ **Total = \$17,550** first year and \$12,190 the next two years.

**Projected Fee Based Revenue:** The fees will generate the following income for CCWQP annually. Each NOI holder will be billed near the end of the year.

CCWQP Fee Revenue	Cost Allocation Committee Projection	Current RWQCB Data Base	Post NOI Amendment Potential (-5%)
Monitoring	\$497,047	\$498,613	\$473,682
Administration	\$324,000	\$233,694	\$222,009
<b>Total</b>	<b>\$821,047</b>	<b>\$732,307</b>	<b>\$695,691</b>
Compared to Projections		<b>(\$88,740)</b>	<b>(\$125,356)</b>

### Central Coast Water Quality Preservation, Inc.

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