

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
APRIL 21, 2009**

ITEM 5

SUBJECT

CONSIDERATION OF A RESOLUTION TO APPROVE \$200,000 IN GRANT FUNDING FROM THE CLEANUP AND ABATEMENT ACCOUNT (CAA) TO THE CITY OF LIVE OAK (CITY) FOR THE ARSENIC REMEDIATION PROJECT (PROJECT) AND \$450,255.37 TO THE HOME GARDEN COMMUNITY SERVICES DISTRICT (DISTRICT) FOR THE ARSENIC REMOVAL PROJECT (PROJECT)

DISCUSSION

Arsenic in drinking water is a threat to public health, and has been linked to serious conditions, including cancer of the bladder, lungs, skin, kidneys, nasal passages, liver and prostate. In 2005, the State Water Resources Control Board (State Water Board) awarded \$9.5 million for small communities with financial hardship to remove arsenic from their drinking water using funds from the Proposition 40 Small Community Groundwater Grant (SCGG) Program. To date, five of the seven SCGG projects have been completed. Grant funds are not currently available to complete the City's and the District's arsenic removal projects due to the suspension of bond programs. Both the City and the District have arsenic concentrations in excess of three times the Maximum Contaminant Level established by the United States Environmental Protection Agency. A total of \$650,255.37 is needed to complete both projects and reduce the arsenic concentrations to meet the drinking water standard.

The City is located in northern Sutter County, 10 miles North of Yuba City in the Sacramento River Hydrologic Region. The Project will provide treatment for three wells and supply drinking water that meets arsenic standards to approximately 6,800 residents. The City's Project has already received \$1.8 million in reimbursement from the Proposition 40 SCGG Program. \$200,000 is needed to complete construction of the arsenic treatment and disposal system to supply drinking water to City residents.

The District is located in the Central San Joaquin Valley, approximately 35 miles south of Fresno, within the Tulare Lake Hydrologic Region. Completion of the Project will provide treatment for three wells and supply drinking water that meets arsenic standards to approximately 1,800 residents in the District. The District's Project has already received \$1,549,744.73 in reimbursement from the Proposition 40 SCGG Program. \$450,255.37 is needed to complete construction of the arsenic treatment and distribution system to supply drinking water to District residents.

The City and the District rely on groundwater as their only source of drinking water for residents. Completion of these arsenic treatment systems will provide safe drinking water for residents, improve water quality, and ensure the proper cleanup and disposal of the arsenic waste.

California Water Code Section 13442 authorizes the State Water Board to provide funds from the CAA to public agencies to cleanup or abate the effects of a waste. Both projects include facilities to properly handle and dispose of arsenic laden waste.

POLICY ISSUE

Should the State Water Board:

1. Approve up to \$200,000 from the CAA to complete the City's Project?
2. Approve up to \$450,255.37 from the CAA to complete the District's Project; and
3. Revert any funds that have not been expended to the CAA, as of June 30, 2011, unless the Deputy Director of the Division of Financial Assistance (Division) authorizes an extension?

FISCAL IMPACT

As of February 9, 2009, the uncommitted CAA balance is estimated to be no less than \$3.8 million.

REGIONAL WATER BOARD IMPACT

Yes. The proposed Project will assist these communities in achieving compliance with Central Valley Regional Water Board requirements, and water quality objectives.

STAFF RECOMMENDATION

The State Water Board should:

1. Approve up to \$200,000 from the CAA to complete the City's Project;
2. Approve up to \$450,255.37 from the CAA to complete the District's Project; and
3. Revert any funds that have not been expended to the CAA, as of June 30, 2011, unless the Deputy Director of the Division authorizes an extension.

State Water Board action on this item will assist the Water Boards in reaching Goal 2 of the *Water Boards' Strategic Plan Update: 2008-2012* to: (1) Improve and protect groundwater quality in high-use basins by 2030.

D R A F T
STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2009-

APPROVE \$200,000 IN GRANT FUNDING FROM THE CLEANUP AND ABATEMENT ACCOUNT (CAA) TO THE CITY OF LIVE OAK (CITY) FOR THE ARSENIC REMEDIATION PROJECT AND \$450,255.37 TO THE HOME GARDEN COMMUNITY SERVICES DISTRICT (DISTRICT) FOR THE ARSENIC REMOVAL PROJECT

WHEREAS:

1. The City and the District's sole source of drinking water contains arsenic in excess of three times the Maximum Contaminant Level established by the United States Environmental Protection Agency on January 23, 2006;
2. Small Community Groundwater Grant (SCGG) Program funds assist small disadvantaged communities, which depend upon state grant funds to carry out implementation of their arsenic treatment system projects;
3. Grant funds from the SCGG Program are not available to complete the City and District Projects;
4. Completion of the arsenic treatment systems is necessary to ensure the proper cleanup and disposal of the arsenic waste; and
5. The requested allocation is consistent with the purposes of California Water Code (CWC) §13442. CWC §13442 provides that the State Water Resources Control Board (State Water Board) may order moneys to be paid from CAA to a public agency with authority to cleanup or abate the effects of a waste in order "to assist in cleaning up the waste or abating its effects on waters of the state."

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Approves up to \$200,000 from the CAA to complete the City's Project;
2. Approves up to \$450,255.37 from the CAA to complete the District's Project; and
3. Reverts any funds that have not been expended to the CAA, as of June 30, 2011, unless the Deputy Director of the Division of Financial Assistance authorizes an extension.

CERTIFICATION

The undersigned, Clerk to the Board, does hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Board held on April 21, 2009.

Jeanine Townsend
Clerk to the Board