

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
FEBRUARY 3, 2009**

ITEM 4

SUBJECT

CONSIDERATION OF A RESOLUTION TO APPROVE UP TO \$2,000,000 IN GRANT FUNDING FROM THE CLEANUP AND ABATEMENT ACCOUNT (CAA) TO THE CITY OF SHAFTER (CITY) FOR THE NORTH SHAFTER WASTEWATER PROJECT (PROJECT)

DISCUSSION

The proposed Project is to be constructed in the areas commonly referred to as North Park and North Shafter, which are within the City limits, approximately 18 miles northwest of Bakersfield. Based on 2000 United States Census data, the Median Household Income (MHI) for this area is \$27,634. The population of the proposed service area is 1,007. Once 12 existing, vacant/undeveloped lots in the service area are built out, no further population increase is expected. Therefore, the population is expected to increase by a maximum of forty-seven (47) individuals to a build-out population of 1,054.

Households within the proposed service area do not have sanitary sewer service. The existing septic systems are not performing well due to age, neglect, small lots, and overloading. In 2005, 71-percent of properties in the area reported frequent septic tank pumping and/or widespread disposal of greywater into yards or streets. In the 1980's, 75-percent of the community's drinking water systems had nitrate concentrations in violation of Maximum Contaminant Levels. The city annexed the area in the early 1990's and installed water lines to bring in clean drinking water; however, the existing septic systems continue to impact groundwater.

In a letter to the Central Valley Regional Water Quality Control Board (Regional Water Board), the City declared that the failing septic systems, above-ground greywater disposal, and contamination of groundwater supplies pose a public health and safety hazard and a potential pollution problem. On September 16, 2005, the Regional Water Board issued [Resolution No. R5-2005-0124](#) approving and accepting the City's declaration of a potential pollution problem and time schedule for Project completion.

The proposed Project consists of installing a wastewater collection system. The new collection system will be connected to the City's existing wastewater collection system, which conveys wastewater to a regional wastewater treatment plant (WWTP). The WWTP is administered, operated, and maintained by the North of the River Sanitation District (NORS); however, the City and NORS share ownership of the WWTP according to a Joint Powers Agreement (JPA) executed in 1990.

The requested allocation is consistent with the purposes of Water Code §13442, which provides that the State Water Resources Control Board (State Water Board) may order monies to be paid from the 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."

The City's Project is listed in fundable Class B of the Small Community Wastewater Grant (SCWG) Program's Competitive Project List (CPL), adopted on September 4, 2007, but funds are not available at this time. The Preliminary Engineering Report, dated January 2007, and supporting documentation have been submitted and comply with the *SCWG Program Guidelines* (Guidelines), amended May 22, 2007. A draft revenue program was approved by the Division of Financial Assistance (Division) on January 22, 2008.

The estimated Project cost is \$2.5 million. The City intends to seek Clean Water State Revolving Fund (CWSRF) financing to supplement funding for the Project.

POLICY ISSUE

Should the State Water Board:

- 1) Approve up to \$2,000,000 in funding from the CAA for the City's Project?
- 2) Require that funding approvals, contracting, and disbursement of CAA funds to the City be conducted in accordance with the Guidelines?
- 3) Require that the City demonstrate financial capability to fund the remainder of Project costs, through CWSRF financing or other means, before Final Plans and Specifications (P&S) Approval is issued?
- 4) Withdraw any unexpended funds if the City does not issue the Notice-to-Proceed (NTP) with construction of the Project to the contractor within 18-months of the date of adoption of the Resolution?
- 5) Revert any funds that have not been expended to the CAA, as of January 6, 2013, unless the Deputy Director of the Division authorizes an extension?

FISCAL IMPACT

Approving \$2,000,000 for the Project will leave an uncommitted balance of \$7,161,209 in the CAA.

REGIONAL BOARD IMPACT

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

STAFF RECOMMENDATION

The State Water Board should:

- 1) Approve up to \$2,000,000 in funding from the CAA for the City's Project;
- 2) Require that funding approvals, contracting, and disbursement of CAA funds to the City be conducted in accordance with the Guidelines;
- 3) Require that the City demonstrate financial capability to fund the remainder of Project costs, through CWSRF financing or other means, before Final P&S Approval;

4) Withdraw any unexpended funds if the City does not issue the NTP with construction of the Project to the contractor within 18-months of the adoption of the Resolution; and

5) Revert any funds that have not been expended to the CAA, as of January 6, 2013, 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 Strategic Plan Update: 2008-2012 to improve and protect groundwater quality in high-use basins by 2030.

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STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2009-

APPROVE UP TO \$2,000,000 IN GRANT FUNDING FROM THE CLEANUP AND ABATEMENT ACCOUNT (CAA) TO THE CITY OF SHAFTER (CITY) FOR THE NORTH SHAFTER WASTEWATER PROJECT (PROJECT)

WHEREAS:

1. The proposed Project will serve the small, disadvantaged community of North Park/North Shafter;
2. Nearly three-quarters of the properties in the proposed service area have reported problems with their existing septic systems, such as frequent pumping and/or disposal of greywater into their yards;
3. In the 1980's, 75-percent of the community's drinking water systems had nitrate concentrations in violation of Maximum Contaminant Levels. The city annexed the area in the early 1990's and installed new water lines to bring in clean drinking water; however, the existing septic systems continue to impact groundwater;
4. In a letter to the Central Valley Regional Water Quality Control Board (Regional Water Board), the City declared that the failing septic systems, above-ground greywater disposal, and contamination of groundwater supplies pose a public health and safety hazard and a potential pollution problem;
5. On September 16, 2005, the Regional Water Board issued [Resolution No. R5-2005-0124](#) approving and accepting the County's declaration of a potential pollution problem and time schedule for Project completion;
6. The proposed Project consists of installing a wastewater collection system. The new collection system will be connected to the City's existing wastewater collection system, which conveys wastewater to a regional wastewater treatment plant (WWTP);
7. The requested allocation is consistent with the purposes of Water Code §13442, which provides that the State Water Resources Control Board (State Water Board) may order moneys to be paid from the 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";
8. The estimated Project cost is \$2.5 million. The City intends to seek Clean Water State Revolving Fund (CWSRF) financing to supplement funding for the Project;
9. The City's Project is listed in fundable Class B of the Small Community Wastewater Grant (SCWG) Program's Competitive Project List (CPL), adopted September 4, 2007; however, funds are not available at this time;

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10. The Preliminary Engineering Report, dated January 2007, and supporting documentation have been submitted and comply with the *SCWG Program Guidelines* (Guidelines), amended May 22, 2007; and
11. A draft revenue program was approved by the Division of Financial Assistance (Division) on January 22, 2008.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Approves up to \$2,000,000 in funding from the CAA for the City's Project;
2. Requires that funding approvals, contracting, and disbursement of CAA funds to the City be conducted in accordance with the Guidelines;
3. Requires that the City demonstrate financial capability to fund the remainder of Project costs, through CWSRF financing or other means, before Final Plans and Specifications Approval;
4. Will withdraw any unexpended funds if the City does not issue the Notice-to-Proceed with construction of the Project to the contractor within 18-months of the adoption of the Resolution; and
5. Will revert any funds that have not been expended to the CAA, as of January 6, 2013, unless the Deputy Director of the Division 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 February 3, 2009.

Jeanine Townsend
Clerk to the Board