

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
OCTOBER 17, 2017**

ITEM 4

SUBJECT

CONSIDERATION OF A RESOLUTION TO APPROVE PROPOSITION 1 DRINKING WATER GRANT FUNDING TO THE CHIRIACO SUMMIT WATER DISTRICT (DISTRICT) FOR THE CHIRIACO SUMMIT WATER DISTRICT WATER SYSTEM IMPROVEMENT PROJECT (PROJECT), DRINKING WATER STATE REVOLVING FUND (DWSRF) PROJECT NO. 3301115-001C

DISCUSSION

The District serves a severely disadvantaged community located in Riverside County, California. The District serves approximately 50 residents and has a median household income of \$20,308. The District has an agreement with the Metropolitan Water District of Southern California and the California Department of Transportation to receive surface water from the Colorado River Aqueduct (Aqueduct).

Historically, the Aqueduct has experienced service and maintenance outages ranging from 15 to 21 days. During these outages, customers rely on water from the District's vulnerable reservoir and inadequate storage tank. Outages are expected to be more frequent and of longer duration in the future. Moreover, the District is unable to secure water when the flow is less than half of the Aqueduct's capacity and the water level drops below the District's connection to the Aqueduct. The District applied for a construction grant to address the inefficient storage as well as the aging infrastructure and security issues being experienced at the District's water treatment plant. The Project will ensure that the District is better equipped to serve their customers during the service and maintenance outages.

The proposed Project includes:

- Rehabilitation of the existing reservoir;
- Relocation of the existing water treatment system;
- Relocation of the existing fire pump;
- Construction of a new storage tank;
- Construction of a new hydropneumatic tank;
- Construction of a metal building to house a raw water pump station and a treated water pump station in addition to the relocated water treatment system;
- Installation of an electrical power generator;
- Installation of a system control and monitoring system; and
- Construction of a chain link fence bordering the facility.

The District submitted a construction application for the DWSRF Program. The 2017-2018 DWSRF Intended Use Plan (IUP) limits the amount of grant or principal forgiveness that can be issued for construction projects at \$30,000 per service connection. The total project cost estimate is \$2,963,400, but an exact cost is unknown until the District completes the construction bidding process and selects a contractor. The Project is approximately \$92,606

per service connection with a total Project cost of \$2,963,400 for 32 service connections. Because the Project exceeds the cost per household threshold established in the IUP, Division of Financial Assistance (DFA) staff are presenting this project to the State Water Resources Control Board (State Water Board) for approval.

ENVIRONMENTAL IMPACT

The District is the Lead Agency under CEQA. The District prepared an Initial Study/Mitigated Negative Declaration (IS/MND) and Addendum, which were circulated through the State Clearinghouse (No. 2001011027) for review and comment. The District adopted the IS/MND and Mitigation Monitoring and Reporting Program (MMRP) on February 15, 2001. Moreover, the District adopted the Addendum on January 17, 2017.

State Water Board staff reviewed the California Environmental Quality Act (CEQA) documentation prepared by the District and determined that the Project will not result in any significant adverse water quality impacts.

State Water Board staff will file a Notice of Determination (NOD) with the Office of Planning and Research, State Clearinghouse following funding approval of the Project.

POLICY ISSUE

Should the State Water Board:

1. Authorize the Deputy Director of the DFA to enter into an agreement with the District to provide a total of \$2,963,400 in Proposition 1 Drinking Water grant funding, with a 10% increase if approved by the Deputy Director of the DFA for good cause?
2. Condition this approval with the following environmental conditions:
 - The District shall implement the Mitigation Measures identified in the MMRP, in Appendix A of the MND, titled "Mitigation Monitoring Program," dated January 2001 (SCH No. 2001011027) prepared for the Project, and in the "Focused Survey for the Agassiz's Desert Tortoise, Habitat Evaluation for Burrowing Owl, and General Biological Resource Assessment for Chiriaco Summit, Riverside County, California" dated September 2016.
 - If archaeological features or materials are unearthed during any phase of project activities, all work in the immediate vicinity of the find shall halt until District has contacted the State Water Board and the significance of the resource has been evaluated. Any mitigation measures that may be deemed necessary must have the approval of the State, and shall be implemented, pursuant to the Secretary of the Interior's Standards and Guidelines for Archaeology and Historic Preservation, by a qualified archaeologist representing the District prior to the resumption of construction activities.

FISCAL IMPACT

The project will be funded with \$2,963,400 in Proposition 1 Drinking Water grant funding, with a 10% increase if approved by the Deputy Director of the DFA for good cause. Proposition 1 local assistance is available to fund the Project.

REGIONAL BOARD IMPACT

None.

HUMAN RIGHT TO WATER ANALYSIS

DFA staff have considered Section 106.3 of the Water Code. This proposed action supports the Human Right to Water because it will assist a severely disadvantaged community obtain safe drinking water by reducing their financing costs and allow them to address the inefficient storage as well as the aging infrastructure and security issues being experienced at the District's water treatment plant. The Project will ensure that the District is better equipped to serve their customers during the service and maintenance outages.

STAFF RECOMMENDATION

The State Water Board should adopt the proposed resolution authorizing the Deputy Director of the DFA to enter into an agreement with the District to provide a Proposition 1 Drinking Water grant of \$2,963,400, and the Deputy Director of the DFA may increase this amount by up to 10% for good cause. The Deputy Director of the DFA shall also condition funding on any conditions deemed necessary to comply with the DWSRF Policy, the 2017-2018 DWSRF IUP, and other applicable state and federal law requirements.

The State Water Board should condition this approval with the following environmental conditions:

- The District shall implement the Mitigation Measures identified in the MMRP, in Appendix A of the MND, titled "Mitigation Monitoring Program," dated January 2001 (SCH No. 2001011027) prepared for the Project, and in the "Focused Survey for the Agassiz's Desert Tortoise, Habitat Evaluation for Burrowing Owl, and General Biological Resource Assessment for Chiriaco Summit, Riverside County, California" dated September 2016.
- If archaeological features or materials are unearthed during any phase of project activities, all work in the immediate vicinity of the find shall halt until District has contacted the State Water Board and the significance of the resource has been evaluated. Any mitigation measures that may be deemed necessary must have the approval of the State, and shall be implemented, pursuant to the Secretary of the Interior's Standards and Guidelines for Archaeology and Historic Preservation, 48 Code of Federal Regulations (CFR) 44716, by a qualified archaeologist representing the District prior to the resumption of construction activities.

State Water Board action on this item will assist the Water Boards in reaching Goal 6 of the Strategic Plan Update: 2008-2012 to enhance consistency across the Water Boards, on an ongoing basis, to ensure our processes are effective, efficient, and predictable, and to promote fair and equitable application of laws, regulations, policies, and procedures.
--

D R A F T

STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2017-

APPROVE PROPOSITION 1 DRINKING WATER GRANT FUNDING TO THE CHIRIACO SUMMIT WATER DISTRICT (DISTRICT) FOR THE CHIRIACO SUMMIT WATER DISTRICT WATER SYSTEM IMPROVEMENT PROJECT (PROJECT), DRINKING WATER STATE REVOLVING FUND (DWSRF) PROJECT NO. 3301115-001C

WHEREAS:

1. The State Water Resources Control Board (State Water Board) adopted the “Policy for Implementing the Drinking Water State Revolving Fund” (DWSRF Policy) on October 21, 2014;
2. Proposition 1, the Water Quality, Supply, and Infrastructure Improvement Act of 2014 (Assembly Bill 1471, Rendon) allocated \$260 million for drinking water grants and loans for public water system infrastructure improvements and related actions to meet safe drinking water standards, to ensure affordable drinking water, or both (Proposition 1 Drinking Water);
3. Proposition 1 Drinking Water funding is generally administered according to the “State of California Drinking Water State Revolving Fund and the Water Quality, Supply, and Infrastructure Improvement Act of 2014 Intended Use Plan” (IUP), which is updated and adopted by the State Water Board annually, and the DWSRF Policy in accordance with federal and state law;
4. On June 20, 2017, the State Water Board adopted the DWSRF IUP for the 2017-2018 State Fiscal Year (SFY) (2017-2018 IUP), which sets forth the plan for how funds will be used within the 2017-2018 SFY and refines funding criteria set forth in the DWSRF Policy for the coming year;
5. The District has submitted a complete construction application for funding for the Project;
6. The requested financing incorporates the estimated costs required to address the aging infrastructure as well as the storage and security issues being experienced at the District’s water treatment plant;
7. Division of Financial Assistance (DFA) staff have completed technical, financial, and environmental reviews that support the project cost;
8. The Project is considered non-routine because it exceeds the maximum cost per connection threshold of \$30,000 in the 2017-2018 DWSRF IUP for a construction project. The Project is approximately \$92,606 per service connection;
9. The District is the Lead Agency under California Environmental Quality Act (CEQA). The District prepared a Mitigated Negative Declaration (MND) and Addendum, titled Chiriaco Summit Water District Water System Improvements Project, which was circulated through the State Clearinghouse (No. 2001011027) for review and comment;

DRAFT

10. The District adopted the MND and Mitigation Monitoring and Reporting Program (MMRP) on February 15, 2001. Moreover, the District adopted the Addendum on January 17, 2017;
11. The District filed a Notice of Determination (NOD) with the County of Riverside County Clerk's office on February 21, 2001 and the Office of Planning and Research, State Clearinghouse on April 5, 2001;
12. The State Water Board is a Responsible Agency under CEQA. A Responsible agency complies with CEQA by considering the MND prepared by the Lead Agency and by reaching its own conclusions on whether and how to approve the Project involved. The State Water Board has independently considered the MND, the MMRP, and Addendum;
13. State Water Board staff will file a NOD with the Office of Planning and Research, State Clearinghouse following funding approval of the Project;
14. The mitigation measures incorporated into the Project are adequate to reduce the environmental impacts of the Project to less-than significant levels as described in the final MND;
15. The Project will not result in any significant adverse water quality impacts; and
16. Adequate public participation has been provided through the CEQA review process for the Project.

THEREFORE BE IT RESOLVED THAT:

The State Water Board:

1. Authorizes the Deputy Director of the DFA to enter into an agreement with the District to provide a Proposition 1 Drinking Water grant of \$2,963,400, and the Deputy Director of the DFA may increase this amount by up to 10% for good cause. The Deputy Director of the DFA shall also condition funding on any conditions deemed necessary to comply with the DWSRF Policy, the 2017-2018 DWSRF IUP, and other applicable state and federal law requirements.
2. Conditions this approval with the following environmental conditions:
 - The District shall implement the Mitigation Measures identified in the MMRP, in Appendix A of the MND, titled "Mitigation Monitoring Program," dated January 2001 (SCH No. 2001011027) prepared for the Project, and in the *"Focused Survey for the Agassiz's Desert Tortoise, Habitat Evaluation for Burrowing Owl, and General Biological Resource Assessment for Chiriaco Summit, Riverside County, California"* dated September 2016.

D R A F T

- If archaeological features or materials are unearthed during any phase of project activities, all work in the immediate vicinity of the find shall halt until District has contacted the State Water Board and the significance of the resource has been evaluated. Any mitigation measures that may be deemed necessary must have the approval of the State, and shall be implemented, pursuant to the Secretary of the Interior's Standards and Guidelines for Archaeology and Historic Preservation, 48 Fed.Reg. 44716 (September 29, 1983), by a qualified archaeologist representing the District prior to the resumption of construction activities.

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 Resources Control Board held on October 17, 2017.

Jeanine Townsend
Clerk to the Board