

Drinking Water Treatment and Research Fund Report to the Governor and the Legislature Calendar Year 2006

The California Department of Health Services (Department) herein submits the annual report to the California State Legislature and the Governor on the implementation of the Drinking Water Treatment and Research Fund (DWTRF). This report is mandated under the provisions of Senate Bill (SB) 2198 (Chapter 997, Statutes of 1998) and cited in Health and Safety Code Section 116367(e) as follows:

“the department shall report annually to the Governor and to the Legislature on any money provided to a public water system pursuant to this section”

This report identifies the DWTRF Program funding commitments and expenditures issued by the Department during the period of January 1, 2006, through December 31, 2006.

History of Program

SB 2198 created the DWTRF for providing financial assistance to public water systems with drinking water sources contaminated by gasoline oxygenates from leaking underground storage tanks. Under the provisions of SB 2198, the Department is authorized to reimburse public water systems for the costs incurred to (1) replace drinking water supplies contaminated by gasoline oxygenates, (2) install treatment systems to restore the use of contaminated drinking water supplies, and (3) conduct investigations to determine the person(s) responsible for the oxygenate contamination of the drinking water sources.

Assembly Bill 2481 (Chapter 999, Statutes of 2002), expanded the scope of financial assistance authorized under the DWTRF to include replacement of drinking water wells threatened with imminent oxygenate contamination.

SB 2198 also authorized the Department to expend up to \$1 million annually for conducting research projects to develop cost-effective treatment technologies to remove gasoline oxygenates from drinking water sources and development of strategies to protect drinking water sources from contamination by gasoline oxygenates.

The funding sources for the DWTRF included an initial General Fund appropriation of \$5 million. In addition, annual fund transfers may be made up to \$5 million from the State Water Resources Control Board's Underground Storage Tank Cleanup Trust Fund through January 1, 2010, unless a later enacted statute extends this deadline.

In January 1999, the Department adopted a secondary drinking water standard of 0.005 mg/L for the gasoline oxygenate Methyl Tertiary Butyl Ether (MTBE). Subsequently, the Department adopted a primary drinking water standard of 0.013 mg/L for MTBE, in February 2000.

A. Funding Commitments Summary

During the 2006 reporting period, the Department approved \$4,460,533 in new DWTRF Program funding commitments, bringing the total amount of funding commitments since the creation of the fund to \$19,450,884. These funding commitments were issued by the Department for corrective action and research projects as authorized under the statute. A summary of the funding for DWTRF Program commitments is provided in Appendix A.

1. Corrective Action Projects

The Department issued all its funding commitments, totaling \$4,460,533, to public water systems for corrective action projects during this reporting period. The scope of these projects include the installation of new drinking water sources to replace drinking water supplies contaminated by MTBE, and supplemental funding for the installation and operation of wellhead treatment systems to remove MTBE from drinking water supplies. Since the creation of the DWTRF Program on January 1, 1999, the Department has issued funding commitments totaling \$18,151,200 for corrective action projects. A brief description of the projects receiving commitments during this reporting period is provided below.

- Fruitridge Vista Water Company, Sacramento County: Well Nos. 1 and 2 Replacement Project

In 2006, the Department approved \$3,642,816 in supplemental funding to the Fruitridge Vista Water Company for the construction of new drinking water sources to replace the drinking water supply from Well Nos. 1 and 2 which were contaminated by MTBE from suspected leaking underground gasoline storage tank(s) in the surrounding area. Overall, the Department has approved funding for this project totaling \$5,119,816.

- Riverview Water District, San Diego County: Well Nos. 1, 2, 3 and 4 – Wellhead Treatment System

In 2006, the Department approved \$104,614 in supplemental funding to the Riverview Water District for the costs associated to operate the MTBE treatment system for Well Nos. 1, 2, 3 and 4. Overall, the Department has approved funding for this project totaling \$863,428.

- Yosemite Spring Park Utility Company, Fresno County: Well No. 37A and 40A MTBE Treatment Plant Project

In 2006, the Department approved supplemental funding in the amount of \$713,103 to the Yosemite Spring Park Utility Company for the additional project costs associated with construction change orders, associated engineering and construction management, and operational costs for the MTBE treatment system for Well Nos. 37A and 40A. Overall, the Department has approved funding for this project totaling \$2,815,655.

2. Research Projects

In 2006, the Department committed no additional funding to agencies for research studies. The Department has committed a total of \$1,299,684 to agencies for research studies associated with MTBE contamination since the creation of the DWTRF Program.

B. Funding Expenditures Summary

During the 2006 reporting period, the Department approved a total of \$1,123,792 in new DWTRF Program funding expenditures, bringing the amount of expenditures since the fund's creation to \$10,151,938. These funding expenditures were issued by the Department for corrective action and research projects as authorized under the statute. A summary of the funding for the DWTRF Program expenditures is provided in Appendix B.

1. Corrective Action Projects

The Department expended \$906,336 in cost reimbursements to public water systems for corrective action projects during the reporting period. The Department has expended a total of \$9,036,332 in reimbursements to public water systems for corrective action projects since the creation of the DWTRF Program. A brief description of the approved expenditures during this reporting period is provided below.

- Fruitridge Vista Water Company, Sacramento County: Well Nos. 1 and 2 Replacement Project

The Department approved funding to Fruitridge Vista Water Company for the construction of new drinking water sources to replace drinking water supplies from Well Nos. 1 and 2 which were contaminated by MTBE. During this reporting period, the Department issued reimbursements to the water company totaling \$252,438 for the engineering design, planning and environmental review of the new drinking

water sources. Overall, the Department has approved reimbursements to the water company for this project totaling \$261,888.

- Riverview Water District, San Diego County: Well Nos. 1, 2, 3, and 4 – Wellhead Treatment System

The Department approved funding to the water district for the installation of a wellhead treatment system for four wells contaminated by MTBE. Construction of the wellhead treatment system was completed in May 2003 and the wells have resumed production of drinking water to serve the customers of the water district. The Department issued reimbursements to the water district totaling \$46,834 for the operation of the wellhead treatment system during this reporting period. Overall, the Department has approved reimbursements to the water district for this project totaling \$766,683.

- Yosemite Spring Park Utility Company, Fresno County: Well No. 37A and 40A MTBE Treatment Plant Project

The Department approved funding to the utility company for costs associated with construction and operation of the MTBE treatment system for Well Nos. 37A and 40A. During this reporting period, the Department issued reimbursements totaling \$606,908 to the utility company for the construction and operation of the MTBE treatment system. Overall, the Department has issued reimbursements to the utility company for this project totaling \$2,469,666.

2. Research Projects

The Department expended \$217,612 in cost reimbursements to agencies for research studies during the reporting period. The Department has expended a total of \$1,115,606 in reimbursements to agencies for research studies associated with MTBE contamination since the creation of the DWTRF Program. A brief description of the one project receiving reimbursement during this period is provided below.

- University of California, Davis (UC Davis) - Field Study of the Impact of a Gasohol Spill on Natural Attenuation of Pre-existing BTEX/MTBE Contamination

The Department approved funding to UC Davis, to conduct a research study into the impact of a gasohol spill on pre-existing BTEX/MTBE contamination sites. The Department issued reimbursements to UC Davis totaling \$217,612 for the ongoing field research activities during this reporting period. Overall, the Department has approved reimbursements totaling \$983,479 for this project.

APPENDIX A

SUMMARY OF FUNDING COMMITMENTS

1. Corrective Action

Public Water System	2006	Previous Years	Total
Cambria CSD (Well Replacement)	-0-	\$1,806,000	\$1,806,000
Citizen's Utilities Co. (Wellhead Treatment)	-0-	\$111,073	\$111,073
CWS – Salinas District (Well #1-04 Replacement)	-0-	\$1,067,600	\$1,067,600
CWS – Salinas District (Well #13-02 Replacement)	-0-	\$1,115,800	\$1,115,800
Fruitridge Vista WC (Well #1 & #2 Replacement)	\$3,642,816	\$1,477,000	\$5,119,816
Fruitridge Vista WC (Well #11 Replacement)	-0-	\$1,386,292	\$1,386,292
Glenbrook Mobile Home Park (Well No. 3 Replacement)	-0-	\$286,501	\$286,501
Riverview WD (Wellhead Treatment)	\$104,614	\$758,814	\$863,428
Riverview WD (Water Purchase)	-0-	\$973,558	\$973,558
City of Santa Monica (Charnock Investigation)	-0-	\$1,631,000	\$1,631,000
South Tahoe PUD (Gardener Mtn. Well)	-0-	\$564,677	\$564,677
South Tahoe PUD (Arrowhead Well)	-0-	\$409,800	\$409,800
Yosemite Spring Park UC (Wellhead Treatment)	\$713,103	\$2,102,552	\$2,815,655
Subtotal (Corrective Action)	\$4,460,533	\$13,690,667	\$18,151,200

APPENDIX A (cont.)

SUMMARY OF FUNDING COMMITMENTS

2. Research Projects

Research Sponsor	2006	Previous Years	Total
Univ. of California, Davis (Gasohol/MTBE Study)	-0-	\$1,149,684	\$1,149,684
Contra Costa WD	-0-	\$150,000	\$150,000
Subtotal (Research)	\$0	\$1,299,684	\$1,299,684
TOTAL COMMITMENTS	\$4,460,533	\$14,990,351	\$19,450,884

APPENDIX B

SUMMARY OF EXPENDITURES

1. Corrective Action Projects

Applicant	2006	Previous Years	Total
CWS – Salinas District (Well No. 1-04 Replacement)	-0-	\$142,047	\$142,047
Cambria CSD (Well Replacement)	-0-	\$1,520,710	\$1,520,710
Citizen's Utilities Co. (Wellhead Treatment)	-0-	\$111,073	\$111,073
Fruitridge Vista WC (Well No. 1&2 Replacements)	\$252,438	\$9,450	\$261,888
Fruitridge Vista WC (Well #11 Replacement)	-0-	\$1,386,292	\$1,386,292
Glenbrook MHP (Well No. 3 Replacement)	-0-	\$284,983	\$284,983
Riverview WD (Wellhead Treatment)	\$46,834	\$719,849	\$766,683
Riverview WD (Water Purchase)	-0-	\$973,558	\$973,558
City of Santa Monica (Charnock Investigation)	-0-	\$291,806	\$291,806
South Tahoe PUD (Gardener Mtn. Well)	-0-	\$457,401	\$457,401
South Tahoe PUD (Arrowhead Well)	-0-	\$370,225	\$370,225
Yosemite Spring Park UC (Wellhead Treatment)	\$606,908	\$1,862,758	\$2,469,666
Subtotal (Corrective Action)	\$906,180	\$8,130,152	\$9,036,332

APPENDIX B (cont.)

SUMMARY OF EXPENDITURES

2. Research Projects

Applicant	2006	Previous Years	Total
Univ. of California, Davis (Ethanol Research Project)	\$217,612	\$765,867	\$983,479
Contra Costa WD	-0-	\$132,127	\$132,127
Subtotal (Research)	\$217,612	\$897,994	\$1,115,606
TOTAL EXPENDITURES	\$1,123,792	\$9,028,146	\$10,151,938