

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION – DIVISION OF FINANCIAL ASSISTANCE
JUNE 3, 2008**

ITEM 10

SUBJECT

CONSIDERATION OF A RESOLUTION RESCINDING RESOLUTION NO. 2007-0046 FOR THE PRELIMINARY SMALL COMMUNITY WASTEWATER GRANT (SCWG) COMMITMENT TO THE COUNTY OF SONOMA (COUNTY), PERMIT AND RESOURCE MANAGEMENT DEPARTMENT, FOR THE CONSTRUCTION OF THE MONTE RIO COMMUNITY WASTEWATER PROJECT (PROJECT); SCWG PROJECT NO. SCG-636

DISCUSSION

The State Water Resources Control Board (State Water Board) adopted [Resolution No. 2007-0046](#) on July 17, 2007, to provide a Preliminary SCWG Commitment to the County for the construction of a new wastewater collection system, wastewater treatment facility (WWTF), and treated effluent disposal system for the Community of Monte Rio.

On November 17, 2007, the County Permit and Resource Management Department issued a press release. The County recommended that the County Board of Supervisors cancel plans to construct a sewer system in the Community of Monte Rio, citing dramatically increased construction costs, which exceed available funding by at least \$2.6 million. On January 8, 2008, the County Board of Supervisors voted unanimously to abandon the Assessment District and terminate the Project with County Board Resolution No. 08-0047.

The SCWG Program Guidelines, adopted on June 17, 2004 and amended on May 22, 2007, provides the criteria for project ranking for a Statewide Competitive Project List (CPL), and states: "The number of projects placed on the Statewide List may exceed the available funds. Projects will be funded on the basis of readiness to proceed."

The County has failed to meet the requirements for construction of the Project, and the County no longer is ready to proceed with the Project. A provision of Resolution No. 2007-0046 required the County to acquire title to the land where the treatment facility was to be constructed before construction could proceed, and, to date, the County has not obtained title to the land.

The Community of Monte Rio is located in western Sonoma County, along the Russian River approximately one mile downstream of Guerneville. The Project was to be constructed on the Sheridan Ranch site, which is located adjacent to the Russian River, approximately 1.3 miles west of the center of Monte Rio. The Project was to serve 617 parcels located in the downtown commercial area and the adjoining residential areas, both north and south of the Russian River.

The Monte Rio service area is presently served by individual septic tank leach field systems, which treat and dispose of all residential and commercial sewage. Many of the systems are old, substandard, and do not meet minimum criteria cited in the Water Quality Control Plan (Basin Plan) for the North Coast Regional Water Quality Control Board (North Coast Regional Water Board) for On-site Wastewater Treatment Systems. Some of the existing systems are known or suspected to have chronic or periodic problems evidenced by surfacing sewage effluent.

Other systems are located in areas of high groundwater and/or have inadequate soils, and do not meet required setbacks to streams. The presence of failing individual systems has been documented by Sonoma County staff and North Coast Regional Water Board staff. The North Coast Regional Water Board adopted [Resolution No. R1-2004-0086](#) on October 6, 2004, approving a Sonoma County Health Hazard Declaration (Declaration) and Local Moratorium on the construction and use of new on-site systems for vacant parcels within the Monte Rio Community Wastewater District.

The County has already received a Planning Grant of \$154,692 and a Design Grant of \$246,558. Therefore, the remaining SCWG available to the County for construction of the Project was \$1,598,750.

POLICY ISSUE

Should the State Water Board rescind State Water Board Resolution No. 2007-0046, a SCWG Preliminary Construction Grant Commitment of \$1,598,750 to the County, and prohibit any additional SCWG funding for the planning and design of a revised project?

FISCAL IMPACT

The State Water Board received approximately \$53.5 million from the *California Clean Water, Clean Air, Safe Neighborhood Parks, and Coastal Protection Act of 2002* (Proposition 40), and the *Water Security, Clean Drinking Water, Coastal and Beach Protection Act of 2002* (Proposition 50), and after subtracting funds to administer the SCWG Program, \$50,750,000 were available to fund projects to resolve existing or potential public health threats or pollution problems.

Currently, all Proposition 40 and 50 funds have been committed to projects. If the State Water Board rescinds Resolution No. 2007-0046, an additional \$1,598,750 would be made available for other eligible SCWG Program projects that are ready to proceed.

REGIONAL BOARD IMPACT

The North Coast Regional Water Board adopted Resolution No. R1-2004-0086, which approves and accepts the Declaration and Local Moratorium. According to the Declaration, existing homes and businesses in Monte Rio are directed to hook-up to the public sewer when it becomes available. Construction and use of new septic systems for vacant parcels are prohibited, and final authority for approving any exemptions or septic system waivers is given to the North Coast Regional Water Board. The passing of this resolution would leave the Declaration in effect and require the Community of Monte Rio to resolve their water quality issues with a revised project.

STAFF RECOMMENDATION

The State Water Board should rescind Resolution No. 2007-0046, a SCWG Preliminary Construction Grant Commitment of \$1,598,750 to the County, and prohibit any additional SCWG funding for the planning and design of a revised project.

DRAFT

STATE WATER RESOURCES CONTROL BOARD RESOLUTION NO. 2008-

RESCINDING RESOLUTION NO. 2007-0046 FOR THE PRELIMINARY SMALL COMMUNITY WASTEWATER GRANT (SCWG) COMMITMENT TO THE COUNTY OF SONOMA (COUNTY), PERMIT AND RESOURCE MANAGEMENT DEPARTMENT, FOR THE CONSTRUCTION OF THE MONTE RIO COMMUNITY WASTEWATER PROJECT (PROJECT); SCWG PROJECT NO. SCG-636

WHEREAS:

1. The SCWG Program Guidelines, adopted by the State Water Resources Control Board (State Water Board) on June 17, 2004 and amended on May 22, 2007, provides the criteria for project ranking for a Statewide Competitive Project List (CPL), and states: "The number of projects placed on the Statewide List may exceed the available funds. Projects will be funded on the basis of readiness to proceed";
2. On October 21, 2004, the State Water Board adopted the SCWG CPL, which included the Monte Rio Community Wastewater Project for the County in the fundable Priority Class A. The CPL was amended by the State Water Board on September 4, 2007, with the Project included under Class A;
3. On July 17, 2007, the State Water Board adopted [Resolution No. 2007-0046](#) for a SCWG Preliminary Construction Grant Commitment of \$1,598,750 for construction of the Project. The County has not acquired the land to construct the Project as required in Resolution No. 2007-0046;
4. The County, on November 17, 2007, issued a press release recommending that the County Board of Supervisors cancel plans to construct a sewer system in the Community of Monte Rio citing dramatically increased constructions costs; and
5. The County's Project is not ready to proceed, and the County Board of Supervisors, on January 8, 2008, voted unanimously to abandon the Assessment District and terminate the Project with County Board Resolution No. 08-0047 after having received a Planning Grant of \$154,692 and a Design Grant of \$246,558 from the SCWG Program.

D R A F T

THEREFORE BE IT RESOLVED THAT:

The State Water Board rescinds Resolution No. 2007-0046 for the Preliminary SCWG Commitment of \$1,598,750 for the construction of the County's Project and prohibits any additional SCWG funding for the planning and design of a revised project.

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 June 3, 2008.

Jeanine Townsend
Clerk to the Board