

**STATE WATER RESOURCES CONTROL BOARD
BOARD MEETING SESSION -- DIVISION OF FINANCIAL ASSISTANCE
NOVEMBER 15, 2006**

ITEM 3

SUBJECT

CONSIDERATION OF A RESOLUTION COMMITTING CLEAN BEACHES INITIATIVE (CBI) GRANT FUNDS TO THE SANTA CRUZ COUNTY SANITATION DISTRICT (DISTRICT) FOR THE APTOS ESPLANADE SEWER REPLACEMENT PROJECT (PROJECT) RIO DEL MAR/SEACLIFF BEACHES; CBI GRANT PROGRAM; CBI PROJECT NO. 316

DISCUSSION

In accordance with the authority established in the Clean Beaches Program of the *Watershed, Clean Beaches, and Water Quality Act* (Act) (Public Resources Code, §30915, et. seq.), the State Water Resources Control Board (State Water Board) can award grants up to \$5 million per project to local agencies and non-profit organizations to implement projects that restore and protect the water quality and environment of coastal waters, estuaries, bays, and near shore waters. In addition to meeting the objective of the Act, all projects receiving grants from the Clean Beaches Program are required to meet the following criteria:

- (a) projects shall be consistent with California's nonpoint source control program;
- (b) projects shall demonstrate the capability of contributing to sustained, long-term water quality or environmental restoration or protection benefits for a period of 20 years;
- (c) projects shall address the causes of degradation, rather than the symptoms;
- (d) projects shall be consistent with water quality and resource protection plans prepared implemented, or adopted by the State Water Board, the applicable Regional Water Quality Control Board (Regional Water Board), and the State Coastal Conservancy (SCC);
- (e) projects shall be reviewed by the State Water Board in consultation with the SCC and the Clean Beaches Task Force (CBTF) appointed by the State Water Board to review projects and make recommendations for grant funding;
- (f) applicants shall inform the State Water Board of any necessary public agency approvals, entitlements, and permits that may be necessary to implement the Project, and applicants shall certify to the State Water Board at the appropriate time that such approvals, entitlements, and permits have been granted;
- (g) projects shall be consistent with recovery plans for coho salmon, steelhead trout, or other threatened or endangered aquatic species;
- (h) applicants shall be required to submit to the State Water Board a monitoring and reporting plan;
- (i) upon completion of the project, the recipient of the funds shall submit a report to the State Water Board that summarizes the completed activities and indicates whether the purpose of the project has been met;
- (j) the State Water Board must provide opportunity for public review and comment in awarding the funds; and
- (k) grant funds can only be used for the costs of construction or acquisition of capital assets as specified in Section 16727 of the Government Code.

For ease of implementation, the State Water Board divided the funding solicitation into two phases. In the second funding phase, the CBTF recommended, and the State Water Board adopted, a Competitive Location List (CLL) on April 21, 2005 (Resolution No. 2005-0028). The CLL was designed to target specific beaches that are known to have persistent bacterial water quality problems such as a beach that is frequently or permanently posted with signs warning beachgoers

of the risks associated with exposure to beach waters. To date, the CBTF has recommended all of the \$22.2 million available for Phase Two projects.

The Project consists of replacing approximately 4,300 feet of sewer collection lines and up to 27 manholes. These lines are rigid clay pipes or asbestos cement pipes that were constructed around 1960. By replacing the sewer lines with plastic pipes and the manholes with cement and mortar, the seepage from the sewers in these areas should be eliminated.

The proposed Project will assist in obtaining the Regional Water Board's objective to protect water quality and preserve beneficial uses including recreation at the beach. Aptos Creek is the primary source of bacteria at Aptos/Rio Del Mar Beach, and the highest bacteria levels occur from Valencica Creek to the mouth of Aptos Creek. Eliminating the leaking sewer lines near the mouth of the creek should reduce the human contribution of bacteria.

The effectiveness of the Project will be measured according to an approved Monitoring and Reporting Plan, and the results will be reported in a Final Project Report. The infrastructure will be designed to have a minimum useful life of 20 years, and will be incorporated into the District's maintenance management program.

Rio Del Mar/Seacliff Beaches are on the State Water Board's approved CLL. The CBTF reviewed the District's proposal and recommended the Project for funding at the August 30, 2006, meeting. The District will adopt a Resolution designating an authorized representative for the Project.

The total cost of the Project is estimated to be \$1,900,000. The grant amount recommended for the Project by the CBTF is 25 percent of the Project costs plus an additional \$15,000 for monitoring; therefore, the District requests a CBI grant of \$490,000 for the Project.

The District will prepare California Environmental Quality Act (CEQA) documentation for the Project as part of the grant agreement. No work identified in the agreement that is subject to CEQA will proceed until the District has received environmental clearance from the Division of Financial Assistance staff.

FISCAL IMPACT

The Act appropriated \$43.7 million to the CBI Program for grants up to \$5 million per project to restore and protect the water quality and environment of coastal waters, estuaries, bays, and near shore waters. This Project will be funded by the CBI Program, and will have the following fiscal impact.

Proposition 40 Funding	\$ 43,700,000
Total Previous Commitments	\$ 35,274,268
Funds Available for Current Commitments	\$ 8,425,732

State Water Board Funding Commitments for November 2006:

<u>County of Santa Cruz, CBI Grant #316</u>	<u>\$ 490,000</u>
<u>County of Santa Cruz, CBI Grant #317</u>	<u>\$ 227,843</u>
<u>Port of San Francisco, CBI Grant #318</u>	<u>\$ 1,800,000</u>
<u>County of Los Angeles, CBI Grant #319</u>	<u>\$ 106,800</u>
<u>County of Los Angeles, CBI Grant #320</u>	<u>\$ 106,800</u>

Funds Remaining for Future Commitments	\$ 5,694,289
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REGIONAL WATER BOARD IMPACT

The Central Coast Water Board has reviewed the Project and determined that it is consistent with existing water quality control plans.

POLICY ISSUE

Should the State Water Board approve CBI grant funding for the District's Proposed Project?

STAFF RECOMMENDATION

That the State Water Board approve a CBI grant commitment of \$490,000 for the District's Project.

**STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 2006 -**

APPROVAL OF A RESOLUTION COMMITTING CLEAN BEACHES INITIATIVE (CBI) GRANT FUNDS TO SANTA CRUZ COUNTY SANITATION DISTRICT (DISTRICT) FOR THE APTOS ESPLANADE SEWER REPLACEMENT PROJECT (PROJECT) RIO DEL MAR/SEACLIFF BEACHES; CBI GRANT PROGRAM; CBI PROJECT NO. 316

WHEREAS:

1. The *Watershed, Clean Beaches, and Water Quality Act* (Act) (Public Resources Code §30901) was signed into law on September 20, 2002. The Act appropriated \$46 million from Proposition 40 for additional CBI grants to help non-profit organizations and public agencies implement projects that protect and restore California's coastal waters;
2. The CBI funds appropriated in the Act are available for encumbrance up to December 31, 2006;
3. The State Water Resources Control Board (State Water Board), on April 21, 2005, adopted the CBI Competitive Location List, which included Rio Del Mar/Seacliff Beaches;
4. The Clean Beaches Task Force reviewed the District's proposed Project at Rio Del Mar/Seacliff Beaches, and recommended it for funding at the August 30, 2006 meeting; and
5. The District will prepare California Environmental Quality Act (CEQA) documentation for the Project as part of the grant agreement. No work identified in the agreement that is subject to CEQA will proceed until the District has received environmental clearance from Division of Financial Assistance staff.

THEREFORE BE IT RESOLVED THAT:

The State Water Board approves a CBI grant for the District's Project not to exceed \$490,000 from the *Act*.

CERTIFICATION

The undersigned, Clerk to the Board, does hereby certify that the forgoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the State Water Board held on November 15, 2006.

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Clerk to the Board