STATE OF CALIFORNIA
REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL COAST REGION

STAFF REPORT FOR REGULAR MEETING OF August 24-25, 2023
Prepared on July 17, 2023

ITEM NUMBER: **10**

SUBJECT: **Overview of Wastewater Consolidation Program Established by Senate Bill 1215 (2018)**

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KEY INFORMATION: **Overview of efforts in progress by the Water Boards to facilitate provision of sewer services to disadvantaged communities.**

ACTION: **Information/Discussion**

SUMMARY

This item provides an update on the Central Coast Regional Water Quality Control Board's (Central Coast Water Board) wastewater consolidation (WWC) program. This staff report provides an overview of the WWC program, actions to date, and next steps.

DISCUSSION

Background

Inadequate onsite wastewater treatment systems are a key contributor of bacteria and nitrate pollution to surface water and groundwater. Disadvantaged communities (DACs) are disproportionally affected as they may lack the resources necessary to treat or secure alternate sources of domestic water supply and are particularly vulnerable to public health impacts from bacteria and nitrate in groundwater.

In 2018, Governor Brown signed Senate Bill 1215 (SB 1215) into law,[1] which established funding and the regulatory framework for a statewide WWC program to facilitate the consolidation of inadequate onsite wastewater treatment systems in DACs into existing sewer systems. SB 1215 authorizes regional water quality control boards to encourage and, if necessary, to mandate the provision of sewer service to DACs. This

[1] California Water Code, §§ 13288-13289.

authority is to be executed either through collaboration with local sewer systems[2] or through enforcement orders that establish timelines for consolidation given certain conditions related to median income of the residents of the community,[3] age and condition of onsite wastewater treatment systems, and proximity to existing sanitary sewer collection infrastructure. SB 1215 requires regional water quality control boards to take certain actions before mandating provision of sewer service, including an extensive public noticing and comment process prior to adoption of an order, similar to those required for consolidation or extension of drinking water systems.

State Water Resources Control Board (State Water Board) Division of Financial Assistance (DFA) staff will be available at the Central Coast Water Board meeting to provide an overview and current status of funding sources available for wastewater consolidation.

WWC Program Implementation in the Central Coast Region

The Central Coast Water Board WWC program was established in 2021, and consists of two water resource control engineers, each with a portion of their time base dedicated to facilitation of wastewater consolidation. In the early stages of program development, staff drafted a WWC program work plan, which served as an internal guidance document and road map for the first year of WWC program implementation. Staff provided an overview of the work plan and program implementation at the February 17-18, 2022 Board meeting.[4]

WWC Program Workplan Implementation

The WWC program work plan developed in 2021 presents an implementation approach organized into three phases: program planning and prioritization, outreach and negotiations, and consolidation facilitation. Each project phase was broken into a series of tasks and associated deliverables. A high-level overview of the accomplishments for each project phase is provided below:

> **Phase I: Program Planning and Prioritization:** Phase I laid the groundwork for the program by communicating program functions and available funding sources with internal and external stakeholders. Phase I tasks included identifying and prioritizing potential consolidation opportunities through geospatial analysis; developing initial outreach and educational tools; and coordinating with key

[2] For purposes of this staff report, the term “sewer systems” means either or both the physical infrastructure and the agencies that own or operate wastewater collection and treatment systems. Agencies can be cities, counties, or special districts such as community services districts. In some sewer systems, the agency owning or operating the collection system is not the same agency that owns or operates the treatment system.

[3] When discussing septic-to-sewer consolidation, the term “community” refers to only the parcels targeted for wastewater consolidation and does not include parcels already receiving centralized wastewater collection and treatment services or intending to remain on onsite wastewater treatment systems.

[4] The staff report and archived presentation associated with the February 17-18, 2022 Board item can be accessed online at:
https://www.waterboards.ca.gov/centralcoast/board_info/agendas/2022/2022_agendas.html

program partners such as sewer providers, city and county public works departments, city and county environmental health departments, local agency formation commissions (LAFCO), consultants, and environmental justice groups.

Phase II: Outreach and Negotiations: Phase II identified potential receiving sewer systems in DAC locations where there are inadequate onsite wastewater treatment systems. Central Coast Water Board staff reached out to these parties to understand their interest, need, and feasibility to consolidate sewer systems. Central Coast Water Board staff also facilitated introductory meetings with stakeholders to review consolidation potential (e.g., county environmental health, housing, public works, residents, consultants, neighboring treatment facilities, etc.) and liaised between the potential applicants and DFA.

Phase III: Consolidation Facilitation: Upon reaching consensus between a receiving sewer system and DAC and/or the individuals associated with the inadequate onsite wastewater treatment systems, Central Coast Water Board staff transferred the project to DFA for technical review. Staff referred the following consolidation projects to DFA for funding (receiving sewer system is noted in parentheses): Rancho Colina (city of Morro Bay), Hacienda Apartments (city of Soledad), Chualar WWTP (Monterey One Water via city of Salinas), city of Atascadero LAMP areas (city of Atascadero wastewater treatment plant), and Bear Creek Estates (Santa Cruz County CSA 7 Boulder Creek).

Implementation of WWC Program Work Plan Priorities

After evaluating lessons learned from implementing the 2021 WWC program work plan and incorporating feedback, staff identified and focused on three priority areas for future WWC program implementation, which include: 1) targeted outreach to sewer systems, communities, nonprofit partners, and partnering agencies; 2) additional geospatial analysis for targeted prioritization; and 3) continued project coordination with DFA staff. These actions were incorporated into a revised WWC program work plan, and implementation of those priorities are summarized below:

1. *Targeted outreach to sewer systems, communities, nonprofit partners, and partnering agencies*

In recent WWC program implementation, staff has prioritized relationship building and outreach to communities, nonprofits, and agency partners to build trust and legitimacy in the Central Coast Water Board and its relatively new role of facilitating wastewater consolidation projects. A focus of the outreach also included information sharing regarding available grant funding opportunities for implementing wastewater consolidation projects.

Central Coast Water Board staff hosted a virtual wastewater funding fair in coordination with DFA on December 13, 2022. This event was targeted to sewer system owners and operators, and information was presented on grant and low interest loan

opportunities for septic-to-sewer consolidation, regionalization,[5] and treatment and collection system infrastructure upgrades. The funding fair also included information sharing about technical assistance grants, wastewater funding options including the Clean Water State Revolving Fund (CWSRF) and Water Recycling Funding Program (WRFP), and eligible grant amounts for DAC, SDAC, and non-DAC communities. This funding fair was attended by 50 dischargers and consultants and prompted several inquiries from dischargers and follow-up meetings regarding potential consolidation opportunities.

2. Geospatial analysis for targeted prioritization

During the first year of WWC program implementation, many of the consolidation projects initiated by staff were selected based on recommendations and referrals from Central Coast Water Board staff, State Water Board, and partnering agencies. Staff identified a need for enhanced geospatial analysis to better prioritize potential projects and optimize the benefits from the WWC program to our region's most vulnerable communities. The geospatial analysis improvements included developing revised prioritization maps to incorporate domestic well data, Division of Drinking Water (DDW) Safe and Affordable Funding for Equity and Resilience (SAFER) program aquifer risk maps,[6] and, where possible, the location and extent of wastewater treatment facilities' collection systems. Staff is now using these maps to guide program goals and priority projects.

3. Project coordination with DFA staff

Staff identified a need to improve coordination with DFA's Small Community Wastewater unit and Technical Assistance units to better track pending grant applications. In response, Central Coast Water Board staff developed improved protocols for information sharing with DFA's Small Community Wastewater staff and holds frequent check-ins with Technical Assistance staff. This improved coordination allows staff to communicate grant application status and funding opportunities to stakeholders with greater accuracy and efficiency.

Summary of High Priority Projects

Hacienda Apartments Consolidation into City of Soledad Sewer System

Hacienda Apartments is a 24-unit farmworker housing apartment complex located approximately 3 miles northwest of the city of Soledad. Hacienda relies on a septic system for wastewater treatment and disposal; however, the septic system requires pumping every 3-4 months as well as weekly flushing of the line to avoid active failure. According to Monterey County Environmental Health staff,

[5] Regionalization in this context refers to the consolidation of multiple existing wastewater treatment facilities.

[6] Aquifer risk maps use existing water quality data to estimate where domestic wells (serving fewer than five connections) and state small water systems (serving between 5 and 15 connections) are at risk of accessing groundwater that does not meet primary drinking water standards.

the site is in violation of County Ordinance 15.20.040, Section B, which states that a septic "system that requires the pumping of contents more frequently than twice a year to prevent overflow or other malfunction shall be conclusively presumed to be not functioning in a lawful manner." Additionally, the inadequate septic system may be contributing to elevated nitrate levels in Hacienda's domestic supply well.[7]

The Monterey County Integrated Water Resources Management (IWRM) Program identified Hacienda Apartments' wastewater concerns as far back as 2018. The Monterey County IWRM program, in coordination with Monterey County Environmental Health, the landowners, and consulting engineers, developed a series of feasibility studies and alternatives analysis in 2019 and 2020 to identify potential wastewater solutions for the site. The feasibility studies determined that the path forward would be to consolidate wastewater services into the city of Soledad's sanitary collection system via existing sewer infrastructure that currently serves the adjacent property.

Central Coast Water Board WWC staff, in coordination with Monterey County IWRM, facilitated a series of meetings between the landowner, various agencies within Monterey County, and the city to discuss Hacienda Apartments' wastewater consolidation. All parties agreed to move forward, and Monterey County applied for a technical assistance grant through DFA in September 2022. In early 2023, Rural Community Assistance Corporation (RCAC) received an assistance request from DFA to help prepare and submit a DFA Clean Water State Revolving Fund construction financing application for Hacienda. RCAC is currently defining the scope needed to update construction engineering costs and prepare engineering documents. Additionally, RCAC will identify and partner with a lead agency and subcontract engineering services and possibly legal services, as well as provide community outreach.

<u>Bear Creek Estates Consolidation into Santa Cruz County CSA 7</u>

Bear Creek Estates is a small, 56-unit wastewater system located in Boulder Creek, Santa Cruz County. Bear Creek Estates' wastewater treatment and disposal system consists of two single-chambered septic tanks in series, trickling filters, and a leach field on 2.1 acres of sloping topography. Bear Creek Estates' wastewater treatment facility is currently owned and operated by San Lorenzo Valley Water District and is regulated by Waste Discharge Requirements Order No. 00-043. The facility has incurred violations due to insufficient nitrogen reduction, excess flow over the permitted amount, and unauthorized discharges of primary treated sewage. The community does not have the financial resources

[7] Nitrate levels as of January 5, 2022, were 11.0 mg/L. The primary drinking water standard for nitrate is 10 mg/L.

to implement upgrades necessary to meet updated permitting requirements.[8] Additionally, the collection system has extremely high inflow and infiltration rates.

Santa Cruz County is currently planning a larger wastewater consolidation of parcels in County Service Area (CSA) 7 and the Big Basin community to support reconstruction following the devastating 2020 CZU Lightning Complex wildfire. San Lorenzo Valley Water District is coordinating with the county to include Bear Creek Estates in this larger consolidation. Santa Cruz County submitted a Clean Water State Revolving Fund application in October 2022 to fund planning work related to CSA 7 consolidation efforts.

Concurrently, San Lorenzo Valley Water District is in the preliminary design phases to rehabilitate the Bear Creek Estates collection system to meet county standards prior to consolidation with CSA 7. The project is intended to address inflow and infiltration issues within the collection system and will have a dual benefit of reducing the volume of flow to meet permitted discharge limits in the short term and therefore partially improving treatment effectiveness of the plant and preparing Bear Creek Estates for an eventual consolidation into CSA 7 in the long term. Bear Creek Estates is currently classified as a suspected DAC,[9] and San Lorenzo Valley Water District applied for and was granted technical assistance funds to confirm income levels in Bear Creek Estates and verify level of funding eligibility for collection system upgrades. California Rural Water Association (CRWA) finalized the income survey in July 2023, having received 31 valid responses from the 54 occupied homes in the service area. CRWA determined that the median household income of Bear Creek Estates is not classified as a DAC and is therefore not eligible for grand funding at this time. The San Lorenzo Water District will continue to seek funding opportunities and may consider revisiting the income survey in the future.

Bolsa Knolls

Bolsa Knolls, located to the north and just outside of the city limits of Salinas, is a small, unincorporated area of approximately 400 medium and high-density residential lots. Most homes in Bolsa Knolls rely on individual onsite wastewater treatment systems. In 2015, the Environmental Coalition for Water Justice (ECJW) conducted preliminary outreach to small disadvantaged and suspected disadvantaged communities in the Salinas Valley and Greater Monterey County IWRM area. During this outreach, residents of Bolsa Knolls reported potential wastewater issues. Treatment capacity of the onsite wastewater treatment

[8] Order WQ 2014-0153-DWQ, *General Waste Discharge Requirements for Small Domestic Wastewater Treatment Facilities*, requires 50% nitrogen removal of secondary treated effluent. Central Coast Water Board staff sent the San Lorenzo Water District a directive to enroll Bear Creek Estates WWTP in WQ 2014-0153 on May 18, 2022.

[9] The Bear Creek Estates system lies mostly within a disadvantaged community (DAC) block group with an MHI of $58,362 and partly within a non-DAC block group with an MHI of $155,093. A targeted income survey is needed to confirm income status of just the portion of the of the community that is in the Bear Creek Estates WWTP service area.

systems is constrained due to relatively small lot sizes, unfavorable soil, seasonal shallow groundwater conditions, and proximity to Santa Rita (Bear) Creek. Community growth is restricted due to the need to preserve disposal system replacement area. Several domestic wells in the area do not meet primary drinking water standards (maximum contaminant level or MCL) for nitrate and Santa Rita (Bear) Creek has known impairments for nitrate, ammonia, and fecal coliform, all of which may be an indication that onsite wastewater treatment system disposal is contributing to contamination of both surface water and domestic groundwater supply.

Central Coast Water Board staff has coordinated with several local agencies and environmental justice groups including the City of Salinas, Monterey County, Monterey One Water, Community Water Center, and Rural Community Assistance Corps (RCAC) regarding wastewater solutions for the community. Currently, Central Coast Water Board staff is planning a community listening session this fall with the goal of developing relationships in the community, understanding their wastewater concerns, and evaluating consolidation as a potential wastewater solution.

Chualar WWTP

The community of Chualar is a small, disadvantaged community of approximately 1,200 residents located 8 miles southeast of the city of Salinas. Monterey County owns and operates the wastewater collection system and pond-based treatment facility. The treatment system is enrolled in General Order No. R3-2020-0020, *General Waste Discharge Requirements for Discharges from Domestic Wastewater Systems,* as of September 20, 2022.

According to county staff, the sewer system was built in the 1960s and has not had significant upgrades from the original design. The two-mile-long force main/interceptor requires frequent repairs due to the shallow depth of the pipeline and the constant strain of heavy truck and/or agriculture equipment traffic. According to a 2014 Civil Grand Jury report,[10] Salinas River overflows have caused the Chualar treatment ponds to be breached eight times since their construction in 1965, causing raw sewage from the treatment ponds to flow into the river.

In 2022, the county developed a draft wastewater master plan for the Chualar wastewater treatment plant (WWTP) to evaluate alternatives for improving the existing WWTP to achieve compliance with anticipated permit requirements. The plan included an option to send wastewater flows to Monterey One Water's regional treatment and recycling facility. The county submitted a CWSRF planning grant application in fall 2022 for funding to consolidate Chualar WWTP with the regional facility. DFA anticipates a signed contract by September 2023.

[10] Monterey Civil Grand Jury. Chualar Sewer system, 2013-2014, can be accessed online at: https://www.co.monterey.ca.us/home/showpublisheddocument/615/636039378581870000

Further compounding long-standing concerns with the facility, on January 12, 2023 and March 12, 2023, the wastewater ponds were again flooded with stormwater from adjacent agricultural areas. Damage to the WWTP rendered the facility inoperable. As of April 27, 2023, the county is hauling wastewater from Chualar to Soledad by truck for treatment. The county intends to pursue disaster assistance from FEMA.

Funding Sources

The State Water Board DFA is responsible for administering the funding for WWC projects. Funding comes from the Clean Water State Revolving Fund, specifically the Small Community Grant Fund.

DFA manages funding through a phased financial assistance application process. Applicants eligible for funding include disadvantaged communities, which may include housing developments, mobile home parks, agricultural workforce housing, Native American tribal communities, and other underrepresented communities as defined in the Environmental Justice section of the staff report below. The sewer system agency serving as the project applicant must be a public agency having jurisdiction over disposal and treatment of sewage, industrial wastes, or other wastes, a Native American tribe or an authorized Native American tribal organization, or a designated and approved management agency[11].

Three separate types of funding are generally available - technical assistance, planning, and construction – however, funding availability varies from year to year. Applicants can apply for any or all three types of funding.

Applicants use DFA's Financial Assistance Application Submittal Tool (FAAST), which is available on the FAAST webpage: https://faast.waterboards.ca.gov to apply for the funding.

Human Right to Water

California Water Code section 106.3, subdivision (a) states that it is the policy of the State of California "that every human being has the right to safe, clean, affordable, and accessible water adequate for human consumption, cooking, and sanitation purposes." On January 26, 2017, the Central Coast Water Board adopted Resolution No. R3-2017-0004, which affirms the realization of the human right to water and the protection of human health as the Central Coast Water Board's top priorities.

The WWC program is an important tool used by the Central Coast Water Board to implement the Human Right to Water. The WWC program is designed to reduce impacts to drinking water sources through consolidation of inadequate onsite wastewater treatment systems and protects public health by removing exposure to

[11] Agencies having jurisdiction over disposal of wastes is defined in Section 1288 of Title 33 of the United State Code, which can be accessed online at: https://www.govinfo.gov/content/pkg/USCODE-2011-title33/html/USCODE-2011-title33-chap26-subchapII-sec1288.htm

surfacing from failing systems. The program specifically focuses on assisting DACs in obtaining funding to implement these consolidation efforts.

Environmental Justice

Environmental Justice principles call for the fair treatment and meaningful involvement of all people regardless of race, color, national origin, or income in the development, adoption, implementation, and enforcement of all environmental laws, regulations, and policies that affect every community's natural resources and the places people live, work, play, and learn. The Central Coast Water Board is committed to these principles and strives to implement regulatory activities and water quality projects in a manner that ensures the fair treatment of all people, including Underrepresented Communities. Underrepresented Communities include but are not limited to DACs, SDACs, Economically Distressed Areas (EDAs), Tribes, Environmentally Disadvantaged Communities (EnvDACs), and members of Fringe Communities.[12] Furthermore, the Central Coast Water Board is committed to providing all stakeholders the opportunity to participate in the public process and provide meaningful input to decisions that affect their communities.

The Water Board's authority under SB 1215 to mandate a wastewater agency to extend sewer service to a DAC or residents of a DAC is contingent upon an annual median household income of less than 80 percent of the statewide annual median household income. However, for the purposes of SB 1215, a community may be delineated—and median income verified—on a project-by-project basis to match the extent of the area targeted for consolidation at the parcel level. A designation of EDA, tribes, EnvDAC or fringe community alone does not meet the criteria set forth in SB 1215 that would authorize the Central Coast Water Board to order consolidation; however, given the nature of EDAs, tribes, EnvDACs, and fringe communities and the flexibility to delineate communities, staff anticipates that there will be significant overlap with these underrepresented communities and how disadvantaged communities are defined in SB1215.

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[12] Disadvantaged Community: a community with an annual median household income that is less than 80% of the statewide annual median household income (Public Resources Code section 80002(e)); Severely Disadvantaged Community: a community with a median household income of less than 60% of the statewide average (Public Resources Code section 80002(n)); Economically Distressed Area: a municipality with a population of 20,000 persons or less, a rural county, or a reasonably isolated and divisible segment of a larger municipality where the segment of the population is 20,000 persons or less with an annual median household income that is less than 85% of the statewide median household income and with one or more of the following conditions as determined by the department: (1) financial hardship, (2) unemployment rate at least 2% higher than the statewide average, or (3) low population density (Water Code section 79702(k)); Tribes: federally recognized Indian Tribes and California State Indian Tribes listed on the Native American Heritage Commission's California Tribal Consultation List; EnvDACs: CalEPA designates the top 25 percent scoring census tracts as DACs. Census tracts that score the highest five percent of pollution burden scores but do not have an overall CalEnviroScreen score because of unreliable socioeconomic or health data are also designated as DACs (refer to the CalEnviroScreen 3.0 Mapping Tool or Results Excel Sheet); Fringe Community: communities that do not meet the established DAC, SDAC, and EDA definitions but can show that they score in the top 25 percent of either the Pollution Burden or Population Characteristics score using the CalEnviroScreen 3.0.

The WWC program prioritizes outreach to DACs and facilities that serve DACs. To identify potential project areas and partners, Central Coast Water Board staff identifies areas with onsite wastewater treatment systems that are within DAC census block groups and near wastewater treatment facilities.

Climate Change

The Central Coast faces the threat and the effects of climate change for the foreseeable and distant future. To proactively prepare and respond, the Central Coast Water Board has launched the Central Coast Water Board's Climate Action Initiative, which identifies how the Central Coast Water Board's work relates to climate change and prioritizes actions that improve water supply resiliency through water conservation and wastewater reuse and recycling; mitigate for and adapt to sea level rise and increased flooding; improve energy efficiency; and reduce greenhouse gas production. The Climate Action Initiative is consistent with the Governor's Executive Order B-30-15 and the State Water Board's Climate Change Resolution No. 2017-0012.

Climate change is expected to include more severe storm and flooding events, which can put additional strain on inadequate onsite wastewater treatment systems. The WWC program will help reduce potential water quality impacts associated with climate-change-related flooding of inadequate systems by facilitating consolidation of these systems with sewer systems.

Climate change is also expected to include more severe drought conditions. Consolidation may increase the capacity of wastewater facilities to recycle water, which may help mitigate drought impacts by further diversifying the state's water portfolio.

The WWC program will work with receiving sewer systems to make sure the collection and treatment systems are adequately and appropriately sized, designed, operated, maintained, and funded to accept the new wastewater flows. SB 1215 funding is available for use by the receiving sewer system for these purposes.

CONCLUSION

The WWC program is facilitating and coordinating the consolidation of several projects. Central Coast Water Board staff is focused on supporting voluntary WWC efforts for DACs that are most at risk for impacts to drinking water from inadequate onsite wastewater treatment systems and that are in proximity to properly operated and permitted sanitary sewer systems. WWC program staff will continue to provide guidance to DACs, stakeholders, and interested parties at the beginning and during proposed sewering projects near properties served by failing or inadequate onsite wastewater treatment systems. Staff will also continue collaboration and relationship building with stakeholders to build capacity for wastewater consolidation projects, including wastewater treatment plant and sanitary sewer collection system owners and operators, land-use planning authorities, environmental health agencies, technical consultants, nonprofit organizations, local government officials, and various State Water Board offices and divisions including DFA and the Division of Drinking Water.