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SEWER AUTHORITY MID-COASTSIDE APPEAL

I. HISTORICAL BACKGROUND

A. Physical Setting

The San Mateo County mid-coastside has historically been provided sewage service by three small sanitary districts who share a common watershed area distinctly separated from the rest of the County by natural geographical boundaries. In 1959 the mid-coastside community of Half Moon Bay incorporated to become a general law city and assumed the utility responsibility of the sanitary district formerly servicing the Half Moon Bay district, through dissolution of that district.

The combined service boundaries of the three contiguous agencies is approximately 20 square miles, with a combined population of approaching 13,000 people. The City boundary and population constitute almost half of these total figures, with its planning area encompassing roughly the same area plus some additional lands totalling in excess of 30 square miles.

The Montara Sanitary District lies at the northern end of the Half Moon Bay basin, with the City located at the southern end. The Granada Sanitary District occupies the central position with some overlapping with the City's northern boundary. The populations of the two districts are approximately equal as are their service boundaries.

The entire area lies within easy traveling distance of the nearly 5 million people residing in the San Francisco Bay area. The City of San Francisco lies barely 20 miles north on State Highway 1, while the City of San Mateo and its adjoining bay side communities are less than 15 miles "over the hill" to the east on State Highway 92. Because of its prime location on the Pacific Ocean, this area is the destination of millions of bay area visitors each year in their pursuit of a recreational outlet.

B. Political Problems

Political differences, some real and some imagined, have historically persisted in the mid-coastside area, fostering a feeling of strong independence and at times hostility towards any movements to consolidate the area. Political fragmentation has been the result, with three sewer agencies, two water agencies, two fire districts, a separate harbor district and the City and County separately providing such services as planning, building, maintenance, police, parks and recreation - all for a contiguous population of no more than 13,000 people.

For the past five years, the three sewering agencies have been grappling with the problems of meeting ever increasing wastewater quality standards and tremendous growth pressures. In 1971 a joint powers agency was formed between the City and one District to prepare a facilities plan to solve the immediate and long range sewage problems of the entire area. The second District declined to join and the joint agency was dissolved over a dispute on size and location of the planned sewage facilities.

In 1973 the two Districts formed a joint powers agency which the City declined to join. Two very limited joint powers agreements were subsequently entered into between the City and the joint districts' agency, one in 1974 and another in 1975, in guarded efforts to cooperate in solving the area's common sewage problems.

The net result of this five year effort has been the preparation of two project reports, two draft environmental impact evaluations, numerous versions of a preliminary financial plan plus several additional studies and evaluations covering both general and specific areas. Indeed it would be difficult, if not impossible, to find a parallel situation anywhere in the state where as much time and study have been given to such a small area to find a technical solution to a sewage problem that was at the same time politically and economically acceptable to all concerned.

II. EXISTING SEPARATE FACILITIES

A. Half Moon Bay

Under pressure from a cease and desist order imposed by the Regional Water Quality Control Board in February of 1971, the City began construction in November of 1972 to improve its .3 mgd primary treatment plant. One year later, and without benefit of grant funds due to lack of consolidation, the Half Moon Bay plant improvements were completed and the cease and desist order was lifted (November 1973). The results were an "interim" activated sludge type secondary treatment plant with a design capacity of 1 mgd.

In 1974, still under pressure from the Regional Water Quality Control Board to extend its ocean outfall to 1,000 feet off shore, the City applied for and received a small Clean Water Grant with the stipulation that it participate in implementing the Basin Plan and make its facilities available to the two Districts. The outfall work was essentially completed in 1975, with a minor change order for dechlorination facilities being carried over into 1976.

At the present time, the Half Moon Bay plant is in substantial conformance with all discharge requirements and has an average dry weather flow of approximately .4 mgd. Its existing capacity is 1 mgd, although additional sludge handling facilities will be needed to handle flows in excess of .6 mgd. Its point of discharge is to a broad sandy bottom of no known special biological significance.

B. Montara

The Montara treatment plant was built in 1962 as a packaged activated sludge plant producing secondary effluent. It has a design capacity of .5 mgd and a present average dry weather flow of approximately .3 mgd. The Montara discharge is to the ocean 25 feet off shore near the James Fitzgerald Marine Reserve.

With minor modifications, Montara is fully capable of meeting all discharge requirements except point of discharge. The entire area surrounding the Marine Reserve has been designated as an area of special biological significance by the State Water Resources Control Board thus necessitating the relocation of the plant's point of discharge to a more suitable location.

C. Granada

The Granada treatment plant is in a similar condition to what Half Moon Bay's was 3 years ago. Built in 1960 as a primary plant, it has a .3 mgd design capacity with an existing average dry weather flow of .3 mgd. Their point of discharge, like Montara's is to the ocean 200 feet off shore near the James Fitzgerald Marine Reserve; it is also near the entrance to the Pillar Point Harbor.

In order for Granada to meet its discharge requirements, they must improve the quality of their treatment system and relocate their point of discharge away from the Marine Reserve and the harbor entrance. In addition, they must increase their capacity as they are presently operating under a self imposed sewer hookup ban and are under local pressures to provide new services to existing subdivided lots.

Of the three agencies, Granada only is required to construct new plant facilities, either separately as Half Moon Bay had to do in 1972-73, or jointly in a consolidated system as provided in the Basin Plan. Should they attempt to construct on their present plant site, they must overcome the obstacles of building a wastwater treatment plant which is not in conformance with the Basin Plan.

III. LOCAL AGREEMENTS

A. Sewer Authority Mid-Coastside

On February 3, 1976, the three mid-coastside sewer agencies signed a comprehensive joint powers agreement creating the Sewer Authority Mid-Coastside (SAM). This culminated a five year effort to bring all three agencies into an institutional arrangement

which is fully capable of planning and implementing the project for the immediate and long term solution to the coastside's sewage treatment and disposal problems.

The lack of an agreed to project and concern for project responsibility were prime reasons it took so long to make SAM a reality. The two Districts have consistently maintained that abandoning their treatment plants and fully consolidating with Half Moon Bay was economically and politically unacceptable. The City, on the other hand, has been reluctant to share overall planning and implementing responsibilities with the Districts, especially where no clear cut project could be agreed to. Both sides have had to compromise.

B. Full Consolidation Project

In recognition of the lack of grant funding available for anything other than a consolidated approach, on January 22, 1976, the three agencies for the first time signed an agreement, and a commitment, to fully consolidate the mid-coastside's treatment and disposal facilities in accordance with the Basin Plan. This agreement was conditioned, however, upon the ability of the project to be fully grant fundable at 87½% for the full replacement of each agency's existing treatment capacities.

The treatment capacities of the three existing plants is 1 mgd for Half Moon Bay, .5 mgd for Montara and .3 mgd for Granada, for a combined total of 1.8 mgd. If fully funded to this level, the three agencies would build a 2 mgd plant with Granada paying 100% of the extra .2 mgd capacity, to bring its share in the new plant equal to one-fourth at .5 mgd. Neither Half Moon Bay nor Montara would gain any new capacity, nor would they lose any, and would own one-half and one-fourth shares respectively in the consolidated plant.

Eacy agency would continue to collect its own sewage through its individually owned collection systems, but would transport their raw sewage through a new trunk line connecting each system to the common plant to be located in Half Moon Bay. Discharge would be through common outfall facilities probably in the vicinity of Half Moon Bay's present point of discharge.

C. Minimum Project Alternative

In the agreement signed on January 22, 1976, the three agencies also committed themselves to doing as little as possible to just meet their discharge requirements, should for some reason the consolidation project not be fully funded at their present joint capacity level of 1.8 mgd. Because of the significantly higher local costs involved without full funding, especially for Half Moon Bay and Montara who would have to replace existing capacity totally at their own expense, it was found uneconomical to do so and was therefore agreed to not consolidate treatment plants in accordance with the Basin Plan should this be the case.

Under the minimum project alternative, Granada would be forced to construct new treatment facilities on its present site, notwithstanding the problems with other agencies, and do so without benefit of any grant funding. Granada's effluent, improved to secondary standards, would then be transported along with Montara's secondary effluent in the grant funded trunk line for common discharge at the Half Moon Bay point of discharge. Half Moon Bay, Montara and Granada would continue to operate and maintain separate small treatment plants as in the past, but would suffer no loss in capacities.

IV. REGIONAL CONSOLIDATION GOALS

A. State Water Resources Control Board

In 1974 the State Water Resources Control Board had prepared a "Water Quality Control Plan San Francisco Basin" by Brown and Caldwell. This Basin Plan, as it is commonly referred to, called for consolidation of the three treatment plants into one, to be located in Half Moon Bay. The conclusion reached in the Basin Plan simply reaffirmed what several previous studies had determined, that the most cost-effective and desirable wastewater management plan for the mid-coastside area would be a fully consolidated system, with a raw waste intertie pipeline transporting the raw wastes to a new regional treatment plant.

Section 2104 of the State Clean Water Grant Program Regulations states that:

> *Consolidation of treatment works shall be required in water quality control plans in all cases where feasible and desirable to accomplish good water quality management.*

In view of the Basin Plan's conclusions, it has consistently been the State Board's position that consolidation would be required in the Half Moon Bay Basin.

B. Regional Water Quality Control Board

In compliance with the objectives set forth in the Basin Plan the Regional Water Quality Control Board has consistently worked toward consolidation of the mid-coastside area into a single plant system. In a letter to the State Board dated October 29, 1975, the Executive Officer of the Regional Board urged State approval of only the fully consolidated plan for the Half Moon Bay Basin. He further recommended that the State Board approve funding of 1 mgd treatment capacity for the City of Half Moon Bay in the consolidated treatment plant, notwithstanding the provisions of Section 2133 in the Clean Water Grant Program Regulations (E-O formula) which, if applied, would cut Half Moon Bay's existing capacity by approximately 50%.

In a letter to the Bay Area Sewage Services Agency dated January 22, 1976, the Regional Board's Executive Officer affirmed his previous position in this matter and went one step further by stating:

> *I concur with the Joint Agencies' intent to pursue, through necessary appeal steps, a grant offer based on construction of full consolidated facilities (Plan "F") with treatment facilities to include 1 mgd capacity for Half Moon Bay and total capacity approximately 1.8 mgd.....I will recommend, at the Regional Board's February 17, 1976, meeting, that it formally support this position to the State Board.*

C. Bay Area Sewage Services Agency

The 1973 Regional Water Quality Management Plan of the Bay Area Sewer Service Agency, consistent with the State's 1974 Basin Plan, the County's 1973 Water Quality Management Program by Jenks and Adamson and numerous other plans and studies, also calls for a single treatment plant in a consolidated system for the San Mateo County Mid-Coastside. In reiteration of this firm position, BASSA passed their Resolution No. 76-8 on February 4, 1976, resolving as follows:

> *NOW, THEREFORE, BE IT RESOLVED that this Agency Board hereby reaffirms its policy that the sub-regional water quality management program for the San Mateo County Mid-Coastside Subregion consist of improvement and expansion of treatment facilities for City of Half Moon Bay, abandonment of existing treatment facilities for Montara and Granada Sanitary Districts, and transport facilities from Montara and Granada Sanitary Districts to City of Half Moon Bay with joint disposal facilities.*
>
> *BE IT FURTHER RESOLVED that this Agency Board lends its full support to the appeal of the mid-coastside agencies to the State Water Resources Control Board regarding approval of clean water grant funding for said consolidated treatment and disposal facilities at a capacity of 1.0 million gallons per day for City of Half Moon Bay, .5 million gallons per day for Montara Sanitary District and .3 million gallons per day for Granada Sanitary District.*

V. THE PROBLEM

A. Goal/Regulation Conflict

The solution to the sewage problems of the San Mateo County mid-coastside has long been recognized by regional authorities as a consolidated single plant system. Study after study has affirmed that this is the most cost-effective and reliable wastewater management plan for the mid-coastside area, both from an initial investment and from an on going operation and maintenance stand point. Each of the local sewage agencies has now also openly recognized this and has committed to implementing this long sought after goal at this time, provided their individual reserve capacities are not

diminished in the process through lack of an adequate funding level.

Even though the regulations were not intended to reduce reserve capacities, the application of Section 2133 of the Clean Water Grant Program Regulations (E-O) would have the net effect of doing just that if strictly applied in this case. Whereas, the combined capacities of the three agencies is 1.8 mgd, the combined flows of the three agencies is approximately 1 mgd at the present time. Under the E-O formula, this 1 mgd is all that is determined to be their present needs, which, when computed with their E-O "projected" growth rate, results in a funding level of approximately 1.1 mgd. Unless the agencies are capable of and willing to make up the difference at their own expense, they trade in 1.8 mgd of capacity for 1.1 mgd capacity. This frustrates both the regional and now local common goal of consolidation, inasmuch as the sewage agencies find it fiscally irresponsible to pursue consolidation on such terms.

B. Half Moon Bay and Montara Choices

Both Half Moon Bay and Montara have secondary treatment plants capable of meeting all discharge requirements. Each has provided reserve capacity in their plants which they either have paid for or still are paying for. To consolidate into a common plant with no further increases in capacity, would cost them, under full funding and together with Granada, 12½% of the total project cost of over $6,000,000. This they are willing to do.

If, on the other hand, consolidation would mean that Half Moon Bay and Montara are to forfeit all but a fraction of their reserve capacity, and still pay for the privilege of doing so, then obviously they have no choice but to turn to the minimum project alternative instead of consolidation. To make up the difference themselves, simply to preserve their reserve capacities, would increase their costs of consolidation by over 60%.

Although Half Moon Bay has always been in favor of consolidation, under the strict application of the funding regulations they cannot afford it. Their participation is obviously required in the consolidation, and yet as the Executive Director of the Regional Board stated in his October 29, 1975 letter:

> *Enforcement action by the Regional Board to encourage the City to participate in the Regional solution at this time would not be realistic since the City is currently able to meet its requirements with existing facilities.*

Montara is also now committed to consolidation, and yet they cannot afford to consolidate under the terms of strict E-O funding either. The minimum project would satisfy their only real and immediate problem by giving them a new point of discharge, and it would be less expensive to Montara at this time.

C. Granada Choices

Unlike Half Moon Bay and Montara, Granada does not have a treatment plant capable of meeting discharge requirements. They have no reserve capacity and thus would be expected to pay the additional costs necessary to build their excess capacity into any new facilities constructed. This they are prepared to do, either in the new consolidated plant or in new facilities they would construct under the minimum project alternative.

From an economical point of view, Granada stands to clearly gain the most immediate benefit from consolidation. Even under strict E-O funding levels, consolidation funded is much less expensive than having to construct new separate treatment facilities totally unfunded. Should full funding be denied the coastside, however, Granada will have no choice as by mutual agreement SAM is committed to implement the minimum project alternative.

Of the three sewer agencies involved, Granada's situation is by far the most difficult. If forced to implement the minimum project alternative, they have the problem of not only raising substantial local taxpayer sums to totally fund their plant improvements, but of also constructing such a facility not in conformance with the Basin Plan.

Each local agency benefits most from consolidation in Half Moon Bay, fully funded. Granada alone benefits under consolidation with strict E-O funding, if compared with the minimum project alternative where their new treatment facilities could receive no funding whatsoever. Consolidation, however, must involve Half Moon Bay and Montara who are penalized under strict E-O funding. The only alternative compatible to everyones needs and desires then including those of the regional agencies, is consolidation funded so as to simply preserve the existing reserve capacities of Half Moon Bay and Montara.

VI. ALTERNATIVE SOLUTIONS

A. Needs Justified Under Regulations

In an attempt to justify the 1.8 mgd capacity needs of the San Mateo County Mid-Coastside under the regulations, SAM is now working with the State Board's staff in documenting all actually allowable credits for capacity funding. Agreement has been tentatively reached on how to take credit for peak seasonal flows as opposed to simple averages, on documenting SAM's existing and anticipated service area population now using septic tanks, and on making realistic allowances for the public recreational developments now being planned to serve the County and State visitors' needs.

An attempt is also being made to verify existing and anticipated population estimates to justify greater capacity needs. Disaggregation of the growth credit allowable under the E-O formula for San Mateo County has also been explored, with a proposal to transfer such credits from the County as a whole to such areas as the mid-coastside where higher growth is expected and actually planned to occur. Though a sound and logical argument, this latter proposal has been rejected by

the State Board's staff as being beyond their authority to deal with.

B. Regulations Determined Non-applicable

It is widely recognized that the E-O formula is totally unrealistic in projecting the actual population in areas such as the mid-coastside of San Mateo County. It is defended, however, in the sense that it does spread the limited grant funds further than would otherwise be the case, and that it discourages further growth in areas where air pollution is already a problem.

As applied to the mid-coastside, neither of the above arguments is a valid reason for applying this restriction. In the first place, the amount of grant funds involved - though all important to the local taxpayers - is really insignificant by State standards. In the second place, the Half Moon Bay Basin is improperly classified by the Air Resources Board as a "Critical Air Area".

In pursuit of this last stated argument, Half Moon Bay recently requested BASSA to do a study to evaluate all known data on this subject. This study, completed in January 1976, confirms the previous findings of Air Quality Corridor Study conducted by CALTRANS, the City's Environmental Impact Report on its General Plan, conducted by Municon and Jones-Tillson and Associates, and the Environmental Impact Report on the facilities plan prepared by Thomas Reid and Associates. The BASSA study concludes with a recommendation as follows:

> *Based upon the above, the Mid-coastside should ask for ARB action deleting their subregion from the designation of critical air area on the basis of being a substantially insignificant pollutant source to the interior Bay Area oxidant levels. The Mid-coastside may actually provide a "clean" upwind source and thereby dilute and reduce Bay Area oxidant and/or oxidant potential for the foreseeable future.*

Half Moon Bay intends to follow the BASSA recommendation, even though such an action by the Air Resources Board will undoubtedly not be timely for the present Clean Water Grant funding appeal. Ironically, such an appeal would not even have

been necessary if the project could have been approved when initially proposed. This project was actually "commissioned" by the State Board long before the E-O funding level of Section 2133 was even conceived. In a letter to the City dated September 28, 1971, the Assistant Chief of the State Division of Water Quality stated:

> A. *The City of Half Moon Bay acting as the Central Agency for the proposed regional sewage system should proceed with the proposed regional project.*
>
> B. *Capacity at the proposed expanded Half Moon Bay Treatment Plant should be planned on the basis of regional service.*
>
> C. *Treatment plant capacity eligible for grant participation will be based upon capacity needed to serve development in the proposed regional service area times the appropriate factor contained in Section 2144 of the Grant Program Regulations <u>or</u> the capacity projected to serve needs 20 <u>years</u> hence in the regional service area, whichever is more limiting. The 20 year capacity determination will be based upon <u>reasonable</u> growth projected for the area.*

Of course the most obvious justification for determining the present regulations non-applicable in this case, is that if strictly applied to the San Mateo County mid-coastside they will actually prevent the achievement of the only total solution to the problem - consolidation. No sewer agency can really be expected to suffer a 50% capacity loss in its own plant while accepting the flows of other agencies in a consolidation effort, nor can another sewer agency be expected to abandon its plant with 40% reserve capacity for a consolidated plant with virtually no reserve capacity. This would be the case, however, with Half Moon Bay and Montara under the E-O funding level.

The guidelines also indicate that the most cost-effective alternative should be the one implemented in a given situation. Clearly in this case that alternative has repeatedly been determined to be a single consolidated plant, from both the stand point of capital investment and on going operation and maintenance costs, as well as from the stand point of superior reliability. Where specific cost-effective common objectives cannot be achieved because of a general regulation, then common sense dictates that that regulation should not be applied.

VII. SUMMATION AND APPEAL

A. Accomplishing Objectives

Five years is a long time to struggle for reconciling divergent local, regional and state objectives. To now fail to achieve these objectives, just when reconciliation is finally realized and the total solution is within reach, would be a failure of the Clean Water Grant program to meet its own long range objectives of providing solutions to the water quality problems of the state. If consolidation is not accomplished now, it will be years before it will be feasible again. Should the funding program be drastically reduced or even eliminated, it may never be.

The three local sewage agencies serving San Mateo County's mid-coastside are for the first time in their history in agreement and committed to implementing a fully consolidated sewage system. All they ask and need is that it be accomplished under an adequate and fiscally achievable funding level of the Clean Water Grant program, while at the same time simply preserving what little reserve growth capacity they have individually built into their existing treatment plants.

The grant funding agencies are being asked to fully fund a new consolidated single treatment plant at 1.8 mgd capacity, to replace three existing treatment plants with the exact same 1.8 mgd combined capacity. The reserve capacity,over what the existing regulations would determine to be authorized need, is measured in mere tenths of a mgd. Though hardly of any consequence to the funding agencies, a few tenths to the three small sewer agencies is all important, for they are living with the growing demands of an increasing population and an increasing recreation visitor load.

As pointed out earlier, granting such an appeal would in no measurable way be counter productive to preserving air quality in the critical air area located on the other side of the 1000-2000 foot high coastal mountains. Neither could such an act be considered growth inducing, inasmuch as no new capacity would be funded beyond what is already existing.

B. The Alternative

The alternative to granting this appeal is abandonment of the state's, the region's and now the local agencies' common objective. Consolidation cannot be accomplished without the participation of Half Moon Bay. Because Half Moon Bay suffers a net loss unless its reserve capacity is preserved, they will not participate and cannot be forced to because their interim plant, built without grant funds, is meeting its discharge requirements.

Rejecting the appeal forces Montara to do almost nothing, except pay for the major local share in the fundable trunk line through Granada and down to Half Moon Bay. Granada, of course, fares the worst. Not only must they participate in the trunk line to Half Moon Bay, but they must also construct new treatment facilities at their existing site at their sole expense - contrary to the Basin Plan.

The initial cost of this alternative to the sewer agencies, with the exception of Granada, is less than with consolidation under E-O funding. It does not totally solve the problems, however, and the separate operation and maintenance costs will continue to cost the taxpayers of the mid-coastside hundreds of thousands of dollars additionally in the years to come.

C. The Plea

Standard regulations, adopted by a governing board, are necessary to guide its staff in uniformly handling the affairs of the agency. If all conceivable situations could be anticipated, and provisions made in the regulations for them, then there would be no further need for the Board. Anyone can read and follow the regulations. Obviously, every conceivable situation cannot be anticipated, and thus the Board's most important role becomes one of exercising judgement.

What is being presented to the Board here is a plea for reason, a plea for compromise, a plea for common sense. The standard regulations do not fit the situation at hand, and the Board is being asked to use its discretion in granting relief from the strict interpretation of these regulations.

The regulations apparantly do not permit a capacity funding level commensurate with the obvious existing needs of 1.8 mgd. The Board in its wisdom must therefore act to here modify the strict application of their own regulations, and not be inflexibly bound by them for fear of establishing a new precedent. If the San Mateo County mid-coastside experience and situation is duplicated anywhere else, then similar relief should be extended there as well. Realistically, however, such a likelihood is highly improbable.

The assistance of the state staff has been of great help in the preparation of this appeal. The support of the Regional Board and its staff, together with the BASSA Board and staff have likewise been of tremendous assistance in the attempt to achieve this clearly viewed common goal. The latter have joined the three local sewer agencies in here presenting a united appeal for an approved capacity funding level of 1.8 mgd. Is it too much to expect to use Clean Water Grant funds in this manner to achieve such a desirable end? The answer to that question now rests solely in the hands of the State Water Resources Control Board.