

STATE OF CALIFORNIA
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL COAST REGION

STAFF REPORT FOR REGULAR MEETING OF JULY 9, 2004

Prepared on June 3, 2004

ITEM NUMBER: 26

SUBJECT: Long-Term Wastewater Management Plan and Funding Update – Cease and Desist Order No. R3-2002-0105 & Administrative Civil Liability Order No. R3-2002-0097, City of Hollister, San Benito County

KEY INFORMATION

Discharger: City of Hollister
Location: 375 Fifth Street, Hollister, CA 95023, San Benito County
Type of Discharge: Treated Domestic, Commercial and Tomato Cannery Wastewater (Undisinfected, facultative pond system with percolation/evaporation disposal)
Design Capacity: Domestic Plant: 2.69 million gallons per day (MGD) domestic, commercial, and industrial wastewater
Industrial Plant: 0.18 MGD domestic, commercial and industrial wastewater (canning season); 1.72 MGD domestic, commercial, and industrial wastewater and storm water (non-canning season); 3.5 MGD tomato cannery wastewater (canning season)
Current Capacity: At or exceeding capacity for domestic, commercial, and industrial wastewater
Existing Orders: Waste Discharge Requirements Order Nos. 87-47 (Domestic Plant) and 00-020 (Industrial Plant), Cleanup or Abatement Order No. R3-2002-0082, Cease and Desist Order No. R3-2002-0097 and Administrative Civil Liability Order No. R3-2002-0097

DISCUSSION

During the February 6, 2004 meeting the Regional Board requested a future update of the City of Hollister's (Discharger) progress in funding and implementing the Long-term Wastewater Management Plan (LTWMP). The following is a brief discussion of the Discharger's progress as of June 3, 2004:

In May the Discharger submitted the following documents in accordance with the requirements of Cease and Desist Order No. R3-2002-0097 and Administrative Civil Liability Order No. R3-2002-0097:

- Report of Waste Discharge for Domestic Wastewater System Improvements;
- Predesign Report for Domestic Wastewater System Improvements;
- Hydrogeologic Report – City of Hollister Hydrogeologic Assessment; and,
- Hydrogeological and Geotechnical Engineering Investigation; City of Hollister Long-term Wastewater Treatment Plant Effluent Disposal Plan

The Discharger also issued a draft environmental impact report Notice of Preparation for the domestic wastewater system improvement project on May 12, 2004. The Discharger is

currently in compliance with all Regional Board Orders with the submittal of these documents. The Discharger is now required to fully implement the LTWMP by October 15, 2005 to fulfill all requirements of the Cease and Desist and Administrative Civil Liability Orders.

Regional Board staff is currently reviewing the submitted documents. Staff will also be reviewing the City's revised General Plan to verify the LTWMP is in agreement with projected growth and wastewater flows. Based on staff's initial review these documents appear to be complete and satisfactory in addressing the Dischargers long-term wastewater treatment and disposal needs. The new LTWMP is markedly different than the previous conceptual version; it has been modified to better address nitrogen removal, future plans for water reclamation, and the need for additional wastewater disposal. The original proposed pond treatment system design was determined inadequate to meet anticipated nitrate effluent limitations. A membrane bioreactor (MBR) tertiary treatment system was selected to achieve a higher level of nitrogen removal and facilitate future water reclamation activities. The predesign report and ROWD call for a 5.0 million gallon per day (MGD) facility that will be capable of meeting Title 22 requirements for water reclamation. The Discharger is also currently pursuing property northeast of the facility for additional land disposal facilities. The property was identified during the hydrogeologic study as being very suitable for the percolation/infiltration of wastewater.

The current cost estimate for the LTWMP is \$38 million and accounts for the higher level of chosen treatment as well as estimated land costs, pipeline, land improvements, etc. for additional disposal facilities. The Discharger currently has approximately \$15 million in available funds (\$12.5 million in redevelopment funds and \$2.5 million of sewer fund reserves). A substantial portion of sewer fund reserves were expended on the domestic wastewater treatment plant interim improvements. Unfortunately, utilization of these improvements long-term will be minimal due to changes in the LTWMP. The balance of the project will be funded by the rate payers

through the issuance of revenue bonds. MuniFinancial has prepared a number of rate studies for the Discharger and a draft sewer rate study is currently being reviewed by City staff. Stone and Young Berg, LLC, the Discharger's underwriter, is also currently reviewing the rate studies and financials in preparation for bond issuance. The Discharger is tentatively planning public workshops for July in preparation of a new sewer rate adoption on August 2, 2004. This timeline for rate adoption is anticipated to facilitate the evaluation of additional alternatives to reduce immediate impacts on rate payers and to ensure that the appropriate legal mechanism is followed for rate adoption. Once the new rates are in place the Discharger will be in a position to sell revenue bonds. The exact timing of the bond sale will also depend on market conditions and finalization of LTWMP construction estimates.

Staff will complete review of the Discharger's LTWMP/ROWD documents in the next few months so that any substantive comments or changes can be addressed prior to the construction phase of the LTWMP implementation. The Predesign Report for Domestic Wastewater System Improvements represents a 90% design of the LTWMP. The final 100% design, planning, engineering studies, and environmental review should be completed this summer and initial construction activities are anticipated to begin this fall. Staff will present revised waste discharge requirements for the facility in the spring/summer of 2005 at a Regional Board meeting as is yet to be determined.

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Hollister\CDO\LTWMP Update 060304.doc
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