

San Simeon Community Services District



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February 23, 2005

Mr. Roger Briggs, Executive Officer
California Regional Water Quality Control Board
Central Coast Region
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401

Dear Mr. Briggs:

Per your 26 January 2005 letter, we are responding to the Complaint for Mandatory Minimum Penalty. The Board of Directors of the San Simeon Community Services District (SSCSD) has authorized its General Manager to propose both a Supplemental Environmental Project (SEP) and a Compliance Project (CP), and upon its approval we would waive the scheduled 25 March 2005 Regional Board hearing.

The SSCSD Board wishes to continue to make clear its desire to address this issue in a positive and aggressive manner. We intend to work cooperatively with the RWQCB to effect multiple solutions that: [a] solve the existing problems at the wastewater treatment facility and [b] permanently improve the water quality of its District and environs.

The gist of our proposal is this: [1] a CP to install additional primary and/or secondary clarification at the wastewater treatment plant site, as well as upgrading the existing chlorination/dechlorination system; and [2] an SEP to install advanced treatment for part or all of the facility's current flow to enable wastewater reclamation for a beneficial use application. The CP will correct a long-standing RWQCB concern about insufficient clarification capacity on-site (there are no primary clarifiers, and the old secondary clarifiers are inadequate for current use). It will also upgrade the disinfection facilities to current standards. The SEP will permanently reduce the amount of wastewater discharged to the Pacific Ocean, as well as decreasing the demand on a underground aquifer that supplies water to the District.

We expect that the CP for this 100,000 gpd facility will cost ~\$150,000 and be completed 9 – 15 months from approval, depending upon environmental and regulatory factors. The SEP cost estimate is \$200,000; we're allowing 18 – 30 months for completion, since engineering and permitting work on Title 22 issues are expected to be more time-consuming. It has been pointed out that approval of our recommended CP may be subject to "small community" criteria – most

notably, population and income requirements. The former is straightforward, since the SSCSD is well under the 10,000 population benchmark. Because it is a small, unincorporated community, accurate income data is less readily available. Two readily observable segments in the District indicate that the "80% of the California median income" criteria can be achieved, since the population consists largely of: [a] fixed-income residents over 55 years of age and [b] a substantial number of young service workers employed in the Coastal Region's hospitality and tourism industry. We will, of course, provide substantiation of that observation as the RWQCB may require.

More detailed information is included in the Attachment. As your staff is aware, the wastewater discharge problems noted in the referenced Complaint were virtually eliminated in January of this year. Nonetheless, the SSCSD expresses its intent to comply fully with your letter, and wishes to proceed in an expedited manner to implement the above solutions. Given the District's limited size and resources, we have developed a basic plan (in the relatively short time between the letter and the required response date) that we hope will be duly considered by the RWQCB.

Please note that the SSCSD has recently retained two engineering firms to provide additional District resources, as well as an accounting firm to verify my estimates of its financial ability to achieve the necessary solutions. The engineering firms are Cannon (permitting) and Boyle (technical design); the accounting firm is Glenn, Burdette, Phillips & Bryson. You may be familiar with these solid, professional firms; all have offices in San Luis Obispo and do substantial work in the water and wastewater segments of the County.

We are prepared to provide more detailed information as necessary, and would be available to meet your representative(s) towards that end at your earliest convenience. We would appreciate a time extension for further response if you deem that more information is needed. In any event, we will be contacting your office shortly after your receipt of this letter.

Sincerely,



Tom O'Neill
General Manager
SSCSD

Cc: SSCSD Board Members
Rob Schultz
Steve Richardson

ATTACHMENT A

1. SUPPLEMENTAL ENVIRONMENTAL PROJECT

a. Description

- i. Advanced treatment of the existing secondary effluent by tertiary media filtration.
- ii. Beneficial reuse of the treated effluent includes two specified applications and other uses to be determined
 - Irrigation of highway median, a project already developed for SSCSD by Cal Trans; piping exists to the points of application
 - Supplying disinfected water to local, discrete commercial applications (hotel laundries) with supplemental pre-treatment if and as necessary by the commercial institution. Resulting wastewater will be sent to the wastewater treatment plant, as is currently done.

b. General Conditions

- i. In accordance with section IX.B(a) – progress reports will be made as directed by the RWQCB.
- ii. In accordance with section IX.B(b) – post-project accounting of expenditures will be provided.
- iii. In accordance with section IX.B(c) – the limited complexity of this project probably does not require an independent “oversight” engineer.
- iv. In accordance with section IX.B(d) – not applicable at this time.

c. General Qualification Criteria

- i. In accordance with section IX.C(a) – the implementation of advanced wastewater treatment for beneficial (Title 22) reuse goes beyond the current NPDES obligation of SSCSD.
- ii. In accordance with section IX.C(b) – the SEP directly benefits surface water quality through
 - Pollution reduction, due to higher levels of treatment {Sec. IX.C(b)v}
 - Water body protection, through reduced levels of discharge of wastewater to the Pacific Ocean {Sec. IX.C.(b)vi}
 - Reclamation {Sec. IX.C(b)ix}
- iii. In accordance with section IX.C(c) – the SEP does not directly benefit the SWRCB or RWQCB.
- iv. In accordance with section IX.C(d) – the SEP is not otherwise required of, or proposed as mitigation by, SSCSD.

d. Additional Qualification Criteria

- i. In accordance with section IX.D(a) – documentation of community support will be provided forthwith.
- ii. In accordance with section IX.D(b) – the SEP complies with the California Environmental Quality Act.
- iii. In accordance with section IX.D(c) – the SEP improves the environment outside the SSCSD since

- Reduced ocean discharge of wastewater affects the entire coastal area, and
 - Wastewater reuse reduces reliance on the water resources from the nearby Conservancy area in the event of drought conditions.
- iv. In accordance with section IX.D(d) – the SEP value of \$200,000 exceeds the limit of \$79,500 set by the RWQCB, therefore leveraging the Board’s action as desired.
 - v. In accordance with section IX.D(e) – the SSCSD has sufficient funds to complete the project without inordinately depleting its reserve account (unencumbered funds currently exceed \$1 million; total reserves are nearly \$1.5 million).
 - vi. In accordance with section IX.D(f) – the SEP will require a new NPDES permit, which provides an excellent framework for monitoring the long-term success of the treatment improvements.

2. COMPLIANCE PROJECT

a. Install new wastewater clarification facilities

- i. Description – install clarification equipment prior to the biological treatment process OR install additional clarification equipment for the secondary effluent prior to disinfection.
- ii. In compliance with section X.A(a) – the timing is 9 to 15 months from RWQCB approval.
- iii. In compliance with section X.A(b) – the project is in accordance with the RWQCB enforcement policy.
- iv. In compliance with section X.A(c) – the SSCSD has sufficient funds to complete the project (estimated at \$125,000) without seriously affecting its reserve account (unencumbered funds currently exceed \$1,000,000).

b. Upgrade existing disinfection facilities

- i. Description – redesigned baffling/flow pattern to prevent short-circuiting; redesigned bisulfite chambers to ensure proper dechlorination and sampling.
- ii. In compliance with section X.A(a) – the timing is 6 to 8 months from RWQCB approval.
- iii. In compliance with section X.A(b) – the project is in accordance with the RWQCB enforcement policy.
- iv. In compliance with section X.A(c) – the SSCSD has sufficient funds to complete the project (estimated at \$25,000) without seriously affecting its reserve account (unencumbered funds currently exceed \$1,000,000).

c. General Conditions

- i. In compliance with section X.C (a) – project 2.a involves installing new facilities; project 2.b involves upgrading existing facilities.
- ii. In compliance with section X.C (b) – both projects 2.a and 2.b are specifically designed to ensure that future non-compliance of the relevant issues (settleable solids and disinfection) does not occur.
- iii. In compliance with section X.C (c) – the Regional Board has long considered the wastewater facilities to be inadequate, and the disinfection problems have been evident over the years.

- iv. In compliance with section X.C (d) – a detailed plan, schedule, and financial analysis will be provided following the Regional Board’s conceptual approval of the SSCSD proposal
- v. In compliance with section X.C (e) – SSCSD will report to the RWQCB annually or semi-annually, or more often as reasonably requested.
- vi. In compliance with section X.C (f-h) – not applicable at this time.