

STATE OF CALIFORNIA
REGIONAL WATER QUALITY CONTROL BOARD
CENTRAL COAST REGION

STAFF REPORT FOR SPECIAL MEETING OF AUGUST 23, 2007
Prepared on July 23, 2007

ITEM NUMBER: 4

SUBJECT: Executive Officer's Report to the Board

SUMMARY

This item presents a brief discussion of issues that may interest the Board. Upon request, staff can provide more detailed information about any particular item.

WATERSHED REPORTS

Hollister Wastewater Treatment Plant, San Benito County [Cecile DeMartini 805/542-4782]

At the September 8, 2006 Board meeting, Hollister City Manager, Mr. Clint Quilter, presented the status of the City's domestic wastewater treatment plant upgrade. He explained delays in the CEQA process, construction bidding, disposal facility construction and required disposal field area acquisition, City Council passage of sewer rate hike, continued domestic diversions to the industrial plant, and effluent limit violations. The Board requested a progress report on Hollister's compliance with Cease and Desist Order No. R3-2002-0105 (CDO) and Administrative Civil Liability Order No. R3-2002-0097 (revised October 21, 2005)[ACL] by the following year.

As a quick historical summary, the Water Board required the City to fulfill nine compliance requirements per the CDO and six compliance conditions with attached suspended liability per the ACL. Since the September 2006 Board meeting, the City has met all nine of the CDO compliance requirements and five of the six compliance conditions set in the ACL. Compliance Condition Item No. 3 of the ACL entails a suspended liability split among three sub-conditions. It is Sub-Condition No. 3.b. in this list of three that has not been met completely. The three sub-conditions set in ACL compliance Condition Item No. 3 are as follows:

ACL Compliance Condition 3. An additional \$200,000 is suspended in three increments in accordance with the following:

Sub-Condition 3.a. \$66,000 is suspended on condition the Discharger submits an updated Long-term Wastewater Management Program (LTWMP) technical report by December 31, 2005.

LTWMP – In December 2005, the City submitted a LTWMP. Water Board staff reviewed the document and found the report to be an exceptional plan that meets the intent of Waste Discharge Requirement (WDR) No. 00-020, Cease and Desist Order (CDO) No. R3-2002-0105, and Administrative Civil Liability (ACL) Order No. R3-2002-0097. The Water Board sent some minor comments in a response letter dated April 17, 2006, to the City regarding the LTWMP. The City responded by submitting an updated LTWMP on March 31, 2007, in compliance with Water Board deadline set in its response letter.

Sub-Condition 3.b. \$67,000 is suspended on condition the Discharger awards the contracts for construction of the new domestic wastewater treatment and disposal facility by October 31, 2006.

Project Financing – In September 2006, the City Council adopted a wastewater rate increase package to support revenue bond financing of the Domestic Wastewater System Improvement project. The bond financing consisted of 2006 and 2007 series bonds. The full bonding package was consummated on May 30, 2007, totaling \$120 million in available financing.

TREATMENT FACILITIES:

Domestic Wastewater Treatment Plant Upgrade and Expansion – The City awarded a construction contract on October 31, 2006, for the construction of the new Domestic Wastewater Treatment Plant. The project is under construction and over 20% complete. The construction contractor is progressing ahead of schedule and anticipates start-up in the Fall of 2008.

DISPOSAL FACILITIES:

Seasonal Storage Ponds – The design is now complete with construction contract documents prepared. Project is currently in the construction bid phase with construction scheduled to begin in July 2007. The City has phased the project so that initial pond capacity will begin to be available by the Fall of 2007. The City scheduled all three phases of the project to be complete by December 2008.

Reclaimed Water Reuse System – The City is evaluating alternative reuse sites under a Subsequent Environmental Impact Report (SEIR) tiered off of the Domestic Wastewater System Improvement EIR certified in October 2006. They have scheduled the release of the draft SEIR for public comment in September 2007, and certification is scheduled for December 2007. Parallel to the SEIR process, the City is conducting design of alternative reuse conveyance and irrigation projects, which the City foresees being complete by Fall 2007. Construction of the selected conveyance and irrigation systems is scheduled to begin in January 2008, with initial sites available for use by Fall 2008, should capacity be needed when the new treatment plant starts up. The City scheduled the construction of all reclaimed water

reuse sites by early 2009, so that full reclaimed water reuse capacity will be available as soon as the irrigation season begins in 2009.

Sub-Condition 3.c. \$67,000 is suspended on condition the Discharger submits a complete Report of Waste Discharge by March 31, 2007 for the new domestic wastewater treatment and disposal facility.

Report of Waste Discharge – The City submitted a ROWD on March 31, 2007 in compliance with the Regional Board deadline. The City plans on submitting a revised ROWD in the Fall of 2007, incorporating additional information on the Reclaimed Water Reuse System (see previous).

As noted in compliance Sub-Condition 3.b., contract awarding and construction start-up for the disposal facility is expected by July 2007, and SEIR certification for the reclaimed water reuse system is expected by December 2007. Therefore, completion of the disposal portion of the domestic wastewater treatment plant is the only remaining portion of the ACL conditions that has not been met. However, the City has coordinated storage pond construction and reclaimed water system construction to have capacity available coincident with treatment plant completion, which complies with the intent of the Regional Board ACL schedule. Regional Board staff will provide another status report on City progress next summer.

Sunnyslope County Water District, San Benito County [Cecile DeMartini 805/542-4782]

The Sunnyslope County Water District's (District) wastewater treatment plant (WWTP) consists of two separate locations; the Ridgemark I facility and the Ridgemark II facility. In general, the facilities utilize a series of ponds for treatment and disposal of wastewater. Ridgemark I was constructed in 1974, and consisted of five ponds with a sixth pond added in 1988. Ridgemark II was constructed in 1988, and consists of four ponds. At each facility, ponds 1 and 2 are used for treatment while the remaining ponds are used for evaporation and percolation. There is no discharge to a surface water body.

The existing facility has no recent violations. However, in December 2004, the Central Coast Water Board updated the District's Waste Discharge Requirement (WDR) Order No. R3-2004-0065, with more stringent salinity effluent requirements. The salinity effluent requirements are due to take effect on January 30, 2008 and January 30, 2010. See the following table for existing effluent water quality characteristics and adopted salt effluent limits.

**Existing Effluent and Phased Effluent
 Limitations for Salt Constituents**

Existing Effluent Water Quality	Concentration (mg/L)		
		Sodium	Chloride
Reported 2005-2006 (30-day average)	1675-1973	361-508	549-738
Effluent Requirements Effective Date			
January 30, 2008	1,500	300	300
January 30, 2010	1,200	200	200

Currently, the District is involved in a variety of salinity reduction measures to reduce salt loading to the groundwater basin. These programs include water softening education activities, a water softening rebate program, evaluation of alternate water supply alternatives such as groundwater desalination and Central Valley Project water treatment alternatives. Additionally, the District has options of joining the ongoing upgrade and expansion of the City of Hollister's WWTP, or expanding and upgrading its own existing facilities to reduce salt loading to the local groundwater basin. The City of Hollister has begun construction of their WWTP expansion, but has not given the District the cost to connect to the City's facility. Without knowing the cost to join the City of Hollister, the District can not make an informed decision on whether to upgrade its own facilities or join the City of Hollister's WWTP expansion.

The District is also in the process of providing additional treatment of its drinking water supply to lower total dissolved solids (TDS), sodium, and chloride with the use of reverse osmosis (RO) technology. Brine waste management alternatives under consideration include evaporation at the disposal ponds, partial percolation with treated wastewater at the District's WWTP, trucking of concentrate or dry solids, and advanced concentration to minimize the volume of waste to be managed. In May 2007, at their request, the District was added to the State Revolving Fund Priority List in order to acquire funding for this project and anticipates making final recommendations on the project in 2007. After the District treats the drinking water supply to reduce TDS from approximately 900 mg/L to approximately 275 mg/L, it will be necessary to have its customers, who receive both potable water and sewerage service, to remove or change their water softeners in order to comply with the salinity portion of the more stringent WWTP plant effluent requirements noted above. This aspect of meeting the more stringent salinity requirements will involve a substantial amount of time and effort to achieve. While the District expects to meet the salinity effluent requirements for the WWTP in the future through improved water supply quality and/or advanced wastewater treatment, District staff are concerned they won't be able to meet the salinity effluent requirements by the effective dates of 2008 and 2010. **[See Attachment A]**

Las Palmas Ranch Water Reclamation Plan, Monterey County [Matt Keeling 805/549-3685]

During the December 1, 2006 Central Coast Water Board public meeting discussion regarding the adoption of revised supplier and distributor master reclamation requirements (MRRs) for the Las Palmas Ranch Residential Development, the Board requested staff provide an update at the July 2007 meeting regarding the progress of the formation of the master irrigation association. The master irrigation association would be responsible for implementing the distributor requirements contained within the MRRs.

Discussion among the various stakeholders has been ongoing since 2003, for the formation of a master irrigation association to take on the distributor role and facilitate a unified agreement between the reclaimed water supplier and various users. The stakeholders are comprised of the various reclaimed water users that consist primarily of eleven individual Las Palmas Ranch development homeowners' associations. An agreement among the users was pending during the December 1, 2006 adoption of the revised MRRs. In an effort to facilitate the issuance of updated MRRs and the development of additional reuse areas, the Monterey County Public Works Department (County) agreed to act as the interim distributor until the master irrigation association was formed.

As of May 30, 2007, there has been no further progress in the ratification of the master irrigation association agreement and the subsequent agreement between the various users and the Supplier, California American Water (Cal Am). Electronic communication received on April 23, 2007 from Mr. Bob Taylor, the de facto spokesperson for the various homeowners' associations, indicates there has been no further progress and that the formation of a master irrigation association is highly unlikely given the conditions of the newly adopted MRRs. Follow up telephone correspondence by staff with Mr. Ron Lundquist, Monterey County Public Works Director, confirmed that discussions regarding the master irrigation association had stopped primarily as a result of a lack of cohesion among, and support by, the various homeowners' associations. Ron Lundquist indicated that the County is now considering transferring the distributor role to Cal Am. During personal communication with staff, Cal Am representative Mr. Tom Peterson, indicated Cal Am is willing to take over the distributor role if a rate surcharge is applied to the Las Palmas Ranch residents' sewer fees to cover the expenses of managing the distribution side of the reclamation system. Cal Am is appearing before the California Public Utilities Commission (CPUC) this September. Although an agreement between the County and Cal Am is tentative regarding the transfer of responsibility, Cal Am intends to request approval of a surcharge at the September CPUC hearing in anticipation of taking over the distributor role from the County.

Mr. Taylor sent another email June 12, 2007 which staff responded to in the attached supplemental sheet . **[See Attachment B, with June 12 emails, staff response, and earlier information exchanges].**

Central Coast Water Board and California Department of Health Services staff are not opposed to Cal Am acting as both the supplier and distributor. A single entity is both common and legally acceptable. Staff believe the existing management structure and onsite presence of Cal Am, make it a viable and stable entity to carry out the distributor provisions of the MRRs. In the interim, the County will remain as the permitted distributor and will act as the interface between Cal Am and the various users. Staff will provide an updated MRR order to the Board once a new distributor is in place. The updated order will likely contain no substantive modifications other than corrected references to the permitted distributor.

Staff has inspected various reuse areas within the Las Palmas Ranch Development three times since November 6, 2007. On the most recent May 3, 2007 site visit, staff observed several improperly adjusted sprinklers spraying reclaimed wastewater on to a roadway and a parking lot resulting in significant runoff to adjacent storm drains. The Executive Officer issued a notice of violation to the County on May 31, 2007 for the observed discharges.

California Utilities Services, Monterey County [Matthew Keeling 805/549-3685]

During the February 9, 2007 Central Coast Water Board public meeting discussion regarding the adoption of revised waste discharge requirements (WDRs) for the California Utilities Service's wastewater treatment facility, the Board requested staff provide an update at the July 2007 meeting regarding public access to, and signage around, the spray irrigation disposal area. The following discussion describes the spray irrigation disposal area access points and signage with references to figures (photographs) that can be found in **Attachment C** of this Executive Officer's report.

The spray irrigation disposal area is located between the Salinas River riparian habitat and actively cultivated agricultural land. The disposal area is separated from the agricultural fields by an earthen berm/embankment with service roads on either side (see Figures 1 and 2) and gates at each point of entry of the Discharger's property (see Figures 2 and 3).

Access to the disposal area is from Highway 68 to the South via approximately one half mile of agricultural service roads (see Figure 4) and from Davis Road to the north via approximately one quarter mile of an agricultural service road (see Figure 5). Gates are present at both agricultural service road access points and are commonly open during active agricultural periods. A third and direct access at Davis Road via an unimproved road owned by the Discharger (see Figure 3) parallels the Davis Road agricultural service road separated by drainage ditches, berms, and dense vegetation. This access point is gated and signed (see Figure 6) with the gate being locked at all times. The southern access gate is generally open daylight hours during the week when disposal area maintenance staff are present.

Prior to May 14, 2007, both access points owned by the Discharger were posted with bilingual no trespassing, no dumping and Danger, do not drink the water signs. Several

signs were also present along the berm between the disposal area and agricultural service road. Additional bilingual signage was added this May at each of the Discharger's gated access points (see Figures 6 and 7), every 500 feet along the agricultural service road adjacent to the disposal area (see Figure 8), and within the disposal area at all major risers and valve junctions (see Figures 9 and 10). In addition to "private property" warnings, new bilingual signage (Figure 11) also reads, "Danger, treated wastewater, do not drink or contact this water." Discharger maintenance of this signage provides adequate notification of the public.

ATTACHMENTS

- A. Supplemental Sheet from July 6, 2007 Meeting re Sunnyslope CWD
- B. Supplemental Sheet from July 6, 2007 Meeting re Las Palmas Ranch
- C. California Utilities Services Public Access and Signage Photos
- D. Letter dtd 7/23/07 from Robert C. Taylor, Jr. re Las Palmas Ranch