

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

STAFF REPORT FOR REGULAR MEETING OF DECEMBER 8-9, 2016
Prepared on November 16, 2016

ITEM NUMBER: 13

SUBJECT: Vineyard and Winery General Order Update: Status of Draft General Order

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KEY INFORMATION

Location: Central Coast Regional Boundaries

Discharge Type: Discharge to surface waters and groundwater from irrigated vineyards and wineries

Existing Orders: General Waste Discharge Requirements Order No. R3-2008-0018

This Action: Informational item, the Board may provide direction

DISCUSSION

Background

In 2002, the Central Coast Water Board adopted its first region-wide winery general order, Order No. R3-2002-0084, to efficiently and consistently regulate waste discharges from wineries across the Central Coast region. In 2008, the Water Board updated this winery general order by adopting Order No. R3-2008-0018, *General Waste Discharge Requirements for Discharges of Winery Waste and Categorical Waiver of Waste Discharge Requirements and Waiver of Requirement of Submit Report of Waste Discharge*, which promulgated general waste discharge requirements to regulate winery waste (also known as "General Winery Order"). Order No. R3-2008-0018 includes monitoring and reporting requirements to verify compliance.

Similarly, in 2012, the Central Coast Water Board adopted Order No. R3-2012-0011, *Conditional Waiver of Waste Discharge Requirements for Discharges from Irrigated Lands (Ag Order)*. The Ag Order regulates discharges of waste from irrigated lands (including vineyards) and includes monitoring and reporting requirements to verify compliance.

This year, staff drafted a new proposed order, Order No. R3-2016-0032, *General Waste Discharge Requirements for Discharges of Winery Waste and Discharges from Certified Sustainable Vineyards, Central Coast Region* (hereafter "Draft Order"), that includes requirements for waste discharges from wineries (liquid and solid) and select vineyards certified by an Executive Officer-approved third party (i.e., the Vineyard Team or other certification program). In September of this year, staff issued the Draft Order for public comments.

One goal of the Draft Order is to identify practices that are significantly or highly protective of water quality and incorporate those practices into existing certifications. Third-party certification programs help the Water Board identify and reward those vineyard owners employing these

best management strategies. Staff will continue to work with third-party groups to develop (via review and comment) and potentially approve certifications that are adequately protective of water quality.

Changes Contained in the 2016 Draft Order

The Draft Order still contains the winery general order components and adds existing elements from the present Ag Order (2.0). This addition allows operations that grow grapes certified by Water Board-approved certification programs, and that operate a winery, to gain coverage under a single order, thereby reducing regulatory compliance efforts and costs.

The Draft Order proposes the following significant changes that will affect winery operators and Water Board-approved, third-party-certified grape-growing operations:

- The current draft winery waiver threshold is reduced to 30 cases of wine produced per year. After release of draft Order No. R32016-0032, it came to our attention that Code of Federal Regulations, Title 27, Volume 1, Sec. 24.75, states that wine production for personal or family use and not for sale, may be “200 gallons per calendar year for a household in which two or more adults reside.” For the purposes of the Draft Order, 200 gallons per year equates to approximately 83 cases per year. Staff will be revising the waiver threshold to at least be consistent with federal requirements.
- Enrollment under the order as proposed will result in a reduction in cost for most vineyards (vineyards under 20 acres will see a minor increase of approximately \$25 dollars per year). Staff analyzed costs for *sustainability in practice* vineyards enrolled in Order No. R3-2012-0011 and compared those costs to costs for the same vineyards if they enrolled in the Draft Order. Under the Draft Order, the cost of participation of certified vineyards in the cooperative monitoring program is eliminated. However, since these same certified vineyards will not be part of the cooperative monitoring program group, they move from Tier I of Section 2200.6 of the annual fee schedule to Tier II. Costs for Tier II increase \$0.53 per acre and this increases the costs for farms of 22 acres or less by \$25 dollars per year or less.
- Enrollment under the order as proposed will result in easier enrollment for combined vineyard and winery facilities. Operations will submit a single notice of intent to enroll in the program.
- Certified vineyards will not be required to participate in the Central Coast Water Quality Preservation, Inc. Cooperative Monitoring Program. Wineries producing less than 10,000 cases per year will be required to track production and submit limited annual reports.
- The Draft Order includes tiered monitoring and reporting requirements to verify compliance.

Public Comments

On September 15, 2016, Water Board staff released the Draft Order for public review and comment. On October 4, 2016, Water Board staff extended the public review and comment period in response to concerns expressed by the winery and vineyard community that the comment period for the Draft Order conflicted with the grape harvest and processing season. In conjunction with public review of the Draft Order, staff met with growers, wine industry groups, representatives of various certification programs, and other stakeholders. Comments provided during these discussions were similar to those outlined below.

- What criteria will the Water Board use to qualify a certified vineyard program for a special order?
- What is the connection between point-source winery processing wastewater effluent and vineyard non-point source discharges?
- How does the Water Board plan to implement enrollment in the order after the revised order goes in to effect?
- Elimination of the waiver category within the general winery order is going to place small wineries into a greater bureaucracy and increase the already significant paperwork required by the state and federal government. Being required to monitor, track, and report water usage would be a burden on small businesses.
- What does the Water Board want to accomplish with the certified vineyard and winery order?

Additional Outreach

Based on comments on the Draft Order, Water Board staff will implement greater outreach to stakeholders, providing more opportunities for us to listen, and thereby inform the next version of this Draft Order. This additional outreach will require postponement of the Board meeting date for consideration of the revised Draft Order until the summer or fall of 2017. Staff is currently developing an outreach plan that will include meetings with agriculturalists, winery trade groups, and other interested parties throughout the Central Coast Region. The outreach meetings will provide the opportunity for information exchange with appropriate stakeholder, trade, environmental, and agency contacts. Outreach will help us identify and address difficult issues raised by the Draft Order.

Staff will use the information received during this outreach effort to develop the next version of the Draft Order. Staff will also provide another public review/comment period on the revised Draft Order prior to bringing this item to a board meeting. Staff will also update the Board on outreach efforts, responses, and progress.

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