

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

STAFF REPORT FOR REGULAR MEETING OF DECEMBER 2, 2005

(Prepared November 15, 2005)

ITEM: 21

SUBJECT: Administrative Civil Liability Order No. R3-2005-0090 for Monarch Grove Homeowners Association, Monarch Grove Wastewater Reclamation Facility, San Luis Obispo County

SUMMARY

During the past two years, the Monarch Grove Wastewater Reclamation Facility has had a significant number of effluent violations and late monitoring reports. Inadequate responses by the Discharger to such violations have resulted in escalating enforcement actions, and on June 29, 2005, the Central Coast Water Board Executive Officer issued Complaint No. R3-2005-0090 in the amount of \$75,000.

On October 6, 2005, a three-member panel of the Central Coast Water Board (Chair Young, Mr. Shallcross and Mr. Hayashi) conducted a hearing regarding Administrative Civil Liability Order No. R3-2005-0090 for Monarch Grove Homeowners Association. The Panel Hearing Staff Report summarizes background, violations and proposed penalty amount. At its December 2, 2005 meeting, Central Coast Water Board members will consider and take action regarding the proposed Administrative Civil Liability Order. In order to fully consider the circumstances, relevant information, and testimony from interested parties, each Central Coast Water Board member should perform both of the following actions:

- a) Review the Panel Hearing Staff Report (transmitted previously).
- b) Listen to and/or view audio/video recording of the Panel Hearing (also transmitted previously).

Following is a brief summary of the Panel Hearing.

Water Board staff presented the information contained in the Panel Hearing Staff Report (transmitted previously) and addressed Board Member's questions. Following the staff presentation, Monarch Grove representatives presented a brief summary of corrective measures taken to minimize future effluent and reporting violations. The Discharger's presentation was followed by cross-examination questions and public testimony. Staff summarized by presenting the recommended changes reflected in the proposed Order.

Recommended revisions to the draft ACL Order (resulting from the panel hearing) include those revisions described in Findings 11.a and 11.b in the proposed Order (Attachment 1); Findings 13, 14 and 15 (describing the Panel Hearing process); and requirements 2 through 4 (describing suspended penalty criteria). The proposed Order also reflects breakdown of the \$75,000 penalty amount with \$35,000 due immediately and \$40,000 to be suspended if compliance is maintained.

A Supplemental Environmental Project (SEP) proposed to be funded by this penalty is described in Attachment A to the proposed Order. The project represents expansion of water quality monitoring implemented by the Morro Bay National Estuary Program (NEP). Morro Bay NEP performs water quality monitoring of surface waters within the Morro Bay watershed. The proposed SEP would expand such water quality monitoring to include samples of freshwater seeps along the fringe of Los Osos. Information generated by such monitoring

would provide a basis for measuring restoration of Los Osos groundwater after implementation of the sewer system by providing comparative results from prior and post sewer conditions.

The proposed SEP is consistent with the State Water Resources Control Board's Enforcement Policy, Resolution No. 2002-0040. The proposed SEP goes above and beyond the obligations of the Discharger and is not an action required of the Discharger by any rule or regulation of any entity or that the Discharger would undertake in the absence of this enforcement action.

Staff plans to prepare a draft ACL Order addressing SEP funding and transmit the alternative Order separately.

The intent of this action is to induce compliance resulting in improved water quality and public health protection.

Correction: In responding to a question during the Panel Hearing, staff stated that the Monarch Grove Development was not originally included in the Los Osos CSD wastewater project because it is located outside the discharge prohibition areas. In fact, the development was not originally included in the CSD project because it was outside the Urban Services Line. The residential portion of the development is within the Basin Plan discharge prohibition area. The discharge (reuse) area is partially inside and partially outside the discharge prohibition area.

RECOMMENDATION

Adopt ACL Order No. R3-2005-0090 as proposed including SEP funding.

ATTACHMENTS

1. Proposed ACL Order No. R3-2005-0090
2. SEP Description

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