

STATE OF CALIFORNIA  
REGIONAL WATER QUALITY CONTROL BOARD  
CENTRAL COAST REGION

STAFF REPORT FOR REGULAR MEETING OF SEPTEMBER 7- 8, 2006

Prepared on July 28, 2006

ITEM NUMBER: 17

SUBJECT: WASTEWATER PROGRAM STATUS REPORT – WASTE DISCHARGE REQUIREMENTS ORDER NO. 00-020, CEASE AND DESIST ORDER NO. R3-2002-0105 & REVISED-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: 3.5 MGD tomato cannery wastewater (canning season); 0.18 MGD domestic, commercial and industrial wastewater (canning season); 1.72 MGD domestic, commercial, and industrial wastewater and storm water (non-canning season)  
Current Capacity: At or exceeding design 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. R3-2002-0105 and *Revised-Administrative Civil Liability Order* No. R3-2002-0097  
Action for this Item: Status Report/Update

SUMMARY

The City of Hollister (hereafter Discharger) has complied with all provisions of October 21, 2005 revised Administrative Civil Liability (ACL) Order R3-2002-0097 to date. On July 25, 2006, the Discharger submitted a letter updating the status of the Hollister Wastewater Program (Attachment 5). A two-month schedule delay of the CEQA process for the Discharger's improvements to the domestic wastewater system has modified time schedules. The Discharger's July 25,

2006 letter outlines newly identified time schedules for completing CEQA and provides revised cost estimates and scheduling for implementation of the Long Term Wastewater Management Plan with an emphasis on compliance schedule related activities. The Discharger anticipates meeting the October 31, 2006 ACL deadline for awarding the contract for construction of the domestic wastewater treatment plant, although it does not expect to award the contract for the

disposal facility construction component of the ACL. This is due in part to difficulties in acquiring 875 acres of irrigated land. The Discharger anticipates the required irrigation areas will be procured by May 2007. The Draft Environmental Impact Report (EIR) public review period begun July 26, 2006, and closes on September 11, 2006. This leaves 50 days for construction bid response and acceptance.

The Discharger is providing an update of the status of the their wastewater program to the Regional Board. The primary updates are with regard to revised costs and schedule. Water Board staff will continue to work with the Discharger to complete and implement the Long-term Wastewater Management Program (LTWMP) and suggest the Discharger provide an update to the Regional Board at the September 2007 meeting

## DISCUSSION

### Background

The Discharger owns and operates two wastewater treatment facilities: the Domestic Wastewater Treatment Plant (Domestic Plant) and Industrial Wastewater Treatment Plant (Industrial Plant). The Domestic Plant treats municipal wastewater flows from residential, commercial, industrial, and institutional sources. The Industrial plant treats seasonal process water from a tomato cannery between mid-June and mid-October and a portion of the domestic wastewater diverted from the Domestic Plant. The Industrial Plant also receives storm water from limited residential areas.

The Water Board adopted Waste Discharge Requirements (WDRs) Order No. 00-020 for the Industrial Plant (Attachment 1) on May 20, 2000, and revised them on September 15, 2000. Provision no. 7 of the WDRs requires the Discharger to develop and implement a LTWMP. Provision no. 7.iv requires the Discharger to fully implement all aspects of the LTWMP within five years of the

adoption of the order. Initially, the differing adoption and revision dates of the WDRs created some confusion regarding various due dates within the WDRs that are based on the "adoption date" of the Order. However, in an August 20, 2002 letter to the Discharger, the Water Board clarified that all of the LTWMP compliance activity due dates within the WDRs are based on the May 20, 2000 WDRs adoption date and not the September 20, 2000 revision date.

Both facilities experienced violations of WDRs provisions in 2002. These violations included influent flow limitation exceedances, seepage of treated wastewater to the San Benito River channel, and failure of a disposal pond levee, resulting in discharge of approximately 15 million gallons of treated wastewater to the San Benito River channel. These violations, in conjunction with delays in developing a long-term solution to wastewater issues, resulted in the Water Board issuing two enforcement orders to the Discharger.

On September 19, 2002, the Central Coast Water Board adopted Cease and Desist Order (CDO) No. R3-2002-0105 (Attachment 2) to institute a formal sewer connection ban and specify various milestones for the Discharger to meet in developing and implementing an effective LTWMP. Paragraph no. 9 of the CDO requires the Discharger to fully implement all aspects of the LTWMP by October 15, 2005 (five months later than the May 20, 2005 due date established in the WDRs).

On November 1, 2002, the Central Coast Water Board adopted ACL Order R3-2002-0097 (Attachment 3) for the May 6, 2002 release of 15 million gallons of treated wastewater from the Industrial Plant to the San Benito River channel. The ACL assessed the Discharger a penalty of \$1,200,000 for the release, but suspended \$1,176,000 (\$1,200,000 minus Water Board staff costs of \$24,000) of the liability based on the Discharger's successful completion of

various supplemental environmental and compliance projects, including specific compliance projects previously required by the CDO and WDRs for completion of the LTWMP. Paragraph no. 3 (Suspended Liability) of the ACL suspends \$200,000 of the civil liability on the condition the Discharger fully implement all aspects of the LTWMP by October 15, 2005.

Discharge Specification B.1 of the WDRs allowed the diversion of domestic wastewater and storm water to the Industrial Plant based on a phased schedule. The schedule allowed the diversion of domestic wastewater and storm water flows to the Industrial Plant of 0.34 MGD during the canning season and 1.72 MGD during the non-canning season. Prohibition no. A.6 of the WDRs prohibits the discharge or diversion of domestic wastewater to the Industrial Plant after June 30, 2005. The sunset date in Paragraph no. 9 of the CDO was October 15, 2005. The diversion of domestic wastewater has continued past the sunset date of October 15, 2005 given the domestic plant is at capacity. Ongoing diversions of domestic wastewater to the industrial plant will be required until implementation of the LTWMP provides additional treatment and disposal capacity at the domestic plant.

#### **October 2005 Water Board Meeting**

At the October 21, 2005 Water Board meeting, the Discharger requested an extension of the October 15, 2005 LTWMP completion date. The Discharger stated they could not meet the October 2005 date due to impediments caused by inter-agency relationships, funding, and technical issues. At that time, the Board Members moved to revise the ACL by splitting the remaining \$200,000 civil liability into three equal portions tied to three additional compliance activities. The three compliance activities, due dates and civil liabilities set forth in the October 2005 revised ACL are as follows:

December 31, 2005 – Submit Long-term Wastewater Management Program or pay civil liability of \$66,000

October 31, 2006 – Award contracts for construction of the wastewater treatment and disposal facilities or pay civil liability of \$67,000

March 31, 2007 – Submit a Report of Waste Discharge (ROWD) or pay civil liability of \$67,000

The Board did not move to revise the associated LTWMP completion and domestic wastewater diversion sunset date compliance activity milestones set forth in the WDRs or CDO.

On December 30, 2005, Water Board staff received a revised LTWMP for the domestic and industrial treatment plants. Water Board staff reviewed the revised LTWMP and responded with comments in an April 17, 2006 letter (see Attachment 4). Staff comments addressed references made to the adopted orders, compliance schedule, construction staging, domestic plant design assumptions, salinity control, and the long term planning of the Industrial Plant. The April 17, 2006 letter requires the Discharger address the comments in the revised LTWMP as part of the ROWD submittal due March 31, 2007.

The Discharger is planning to submit an updated LTWMP addressing these comments in March 2007 as part of the required ROWD. Water Board staff requested the updated LTWMP detail construction staging plans, clarify design flow and seasonal storage assumptions, evaluate salinity source control measures, provide a feasibility analysis for brine disposal, and address the long-term fate of the industrial plant.

Subsequent to the revised LTWMP submittal in December 2005, the Discharger has been

actively moving forward in implementation of the LTWMP. Tasks include:

- Keeping Water Board staff informed of program schedule modifications including the completion and distribution of the environmental impact report (EIR).
- Completing the Hollister Urban Area Water and Wastewater Master Plan through public workshops facilitated by the Discharger and other San Benito County agencies.
- Completing a DRAFT Technical Memorandum for the Phase 1 Effluent Management Project Preliminary Design (Attachment 6) on May 2, 2006. The technical memo summarizes the major planning information for the Discharger's Phase 1 Effluent Management Project.
- Completing a Wastewater Rate Analysis Report on July 6, 2006 by MuniFinancial as contracted by the Discharger (Attachment 7).
- Completing a technical memorandum written by Gus Yates, PG on July 2006 (Attachment 8). The memorandum details a description of the groundwater model and basin wide salt balance.
- Successfully implementing water conservation measures and a pilot water softener rebate program in 2005 (Attachment 9). The Discharger realized water savings of 15.92 million gallons in 2005 and 28 water softener rebates were processed for the replacement of old water softeners with new water-efficient, on-demand units.
- Active negotiations with the tomato cannery to reduce sodium and chloride concentrations in the tomato canning process wastewaters.
- Distribution of the DRAFT Environmental Impact Report on July 26, 2006

Construction design of the membrane bioreactor (MBR) treatment system is at 95%. The design documents are currently under review by the City's Building Department. Design of the storage and disposal units are at 5% and 10% completion, respectively. Storage design will move forward following historic (drilling) log data review. The design of the disposal system will move forward following ratification of the EIR.

**COMPLIANCE**

**Waste Discharge Requirements  
Order No. 00-020**

The Discharger exceeded its 2005 annual average for effluent limitations for sodium and chloride per the WDRs as shown in Table 1 below.

TABLE 1: Industrial Plant WDRs Effluent Limitations and Reported 2005 Concentrations for Sodium and Chloride

	Sodium (mg/L)	Chloride (mg/L)
<b>Annual Avg. WDRs Effluent Limit</b>	250	240
<b>2005 Annual Avg. Reported Effluent Concentration</b>	275	268

Water Board staff issued a notice of violation (NOV) to the Discharger on March 29, 2006 for the sodium and chloride effluent limit violations. The NOV is provided as Attachment 10. The Discharger is in compliance with all other provisions and specifications of the WDRs with the exception of the ongoing diversion of domestic wastewater to the Industrial Plant as noted previously.

Following the issuance of WDRs the Discharger submitted a May 2002 administrative draft LTWMP pursuant to Provision 7.ii of the WDRs. This document was deemed incomplete by Water Board staff

and the Discharger later submitted a September 2002 LTWMP that was again deemed "not fully developed" in a November 14, 2002 Water Board letter to the Discharger. The Water Board provided additional guidance in a follow-up January 28, 2003 letter to the Discharger regarding a potential nitrate effluent limitation of 5 mg/L. The May and September 2002 drafts of the LTWMP were based on a treatment and disposal methodology that was determined to be inadequate to meet an effluent limitation for nitrate of 5 mg/L. Although the initial treatment system design was scrapped for the LTWMP, it was later used to modify the Domestic Plant to comply with the requirements for reduced suspended solids in the effluent pursuant to CDO paragraph nos. 5 and 6.

The Discharger also submitted a ROWD application package prior to the May 20, 2004 deadline pursuant to Provision 7.iii of the WDRs. However, as outlined in our October 27, 2004 ROWD response letter to the Discharger, the ROWD was incomplete with regard to wastewater disposal, salinity, and reclamation. The ROWD application package was incomplete in part due to the absence of a fully developed and up-to-date LTWMP as mentioned above.

#### **Administrative Civil Liability Order No. R3-2002-0097**

As of the October 21, 2005 revision of the ACL time schedule, the Discharger has complied with all provisions of the ACL Order, although the Discharger is currently anticipating being unable to award a contract for the disposal construction component of the October 31, 2006 ACL condition. The Discharger's Interim Effluent Management Project will be successful pending acquisition of 875 acres of irrigated acreage, which is not anticipated to be completed until May 2007.

#### **Cease and Desist Order No. R3-2002-0105**

The CDO has remained unchanged since issuance on October 21, 2002. Therefore the Discharger is currently in violation of CDO requirements nos. 8 and 9, which required the Discharger to submit a ROWD and implement the LTWMP. However, these due dates were modified in the revised ACL.

#### **CONCLUSION**

The Discharger has been successful in meeting revised deadline dates set in the ACL and keeping Water Board staff up-to-date on LTWMP project schedule to date. Water Board staff is concerned with the two-month delay of CEQA. Aside from the potential of public comments further pushing the CEQA completion date, the Discharger is expecting a quick (50 days) response and acceptance of construction bids to meet the October 31, 2006 construction award deadline. Other concerns from Water Board staff are discussed in Attachment 4, the response to the LTWMP.

Water Board staff will continue to work with the Discharger to complete and implement the LTWMP and suggests the Discharger provide an update to the Regional Board at the September 2007 meeting.

#### **ATTACHMENTS**

1. Waste Discharge Requirements Order No. 00-020
2. Cease and Desist Order No. R3-2002-0105
3. November 7, 2005, City of Hollister, Revised Administrative Civil Liability Order R3-2005-0097
4. April 17, 2006 – Central Coast Water Board letter Response to Long Term Wastewater Management Program, December 2005: City of Hollister Domestic and Industrial Wastewater Treatment Plant, San Benito County

5. July 25, 2006 – City of Hollister letter, Update Hollister Wastewater Program
6. May 2, 2006 - RMC Water and Environment Draft Technical Memorandum – Phase 1 Effluent Management Project Preliminary Design TM
7. July 6, 2006 – MuniFinancial City of Hollister Wastewater Rate Analysis Report
8. July 2006 – Gus Yates, PG, Memorandum for Detailed Description of Groundwater Model and Basinwide Salt Balance
9. January 31, 2006 – City of Hollister Fourth Quarter Status and 2005 Annual Hollister Water Conservation Program Summary
10. March 29, 2006 – Central Coast Water Board letter Notice of Violation – Waste Discharge Requirements Order No. 00-020; City of Hollister Industrial Wastewater Treatment Plant, San Benito County

Task Code: 112-01

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