



California Regional Water Resources Control Board

Central Coast Region



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Secretary for
Environmental Protection

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Arnold Schwarzenegger
Governor

MINUTES
REGULAR MEETING
Thursday and Friday, May 11-12, 2006
Central Coast Regional Water Board

Thursday, May 11, 2006, 10:00 a.m.

Chairman Jeffrey Young called the meeting of the Central Coast Regional Water Board to order at 10:15 a.m. on May 11, 2006, at the Central Coast Water Board Conference Room, 895 Aerovista Place, Suite 101, San Luis Obispo, California.

1. Roll Call Executive Assistant Carol Hewitt

Board Members Present:

Chairman Jeffrey Young
Vice-Chair Russell Jeffries
Leslie Bowker
John Hayashi
Monica Hunter
Gary Shallcross (arrived 11:30 a.m.)

Absent:

Daniel Press

2. Introductions Assistant Executive Officer Michael Thomas

Assistant Executive Officer Michael Thomas introduced staff and Alexis Strauss/CalEPA representative.

6a. Los Osos Individual Cease and Desist Order Status Conference.....Discussion

Board members Les Bowker and Monica Hunter recused from the item. Lori Okun, staff counsel, introduced Reed Sato, Director/Enforcement Office, State Water Resources Control Board. Mr. Sato will assume the function of Prosecutor for the Los Osos issue. Ms. Okun stated that she will no longer be acting as Prosecutor for the Los Osos issue and will not be representing the Board on the issue. Chairman Young believes that the Prosecution team should start over since Ms. Okun has stepped down and Mr. Reed Sato assumed her function at this time. He believes the Prosecution team should have a clean starting point. He also suggested that the Los Osos Community

Services District (LOCSD) defense team should have an opportunity to start over, should they decide to do so. Mr. Briggs asked that the Prosecution team have the opportunity to submit a brief on the suggestion before the Chair makes a decision. Mr. Stephen Onstot, LOCSD counsel, asked for the opportunity to brief the issue as well. Mr. Young invited the Designated parties to participate and offer comments on the subject of the prosecution team starting over.

Designated Party Commenters:

- Bill Moylan (rep his wife and himself)
- Rob Shipe
- Larry Bishop
- Tim Rochte
- Jim Salio
- Gail McPherson (rep various CDO parties)

(Chairman Young announced a break at 11:50 a.m. The meeting reconvened at 12:05 p.m.)

- Lois Sargent
- Dick Sargent
- Khian Gulassa
- Barry Carney
- Chris Allebe
- Dave Duggan (rep Dustan Mattingly)
- Mr. Martyn
- Bruce Payne

Commenters for time necessary to prepare for briefs:

- Stephen Onstot
- Rob Shipe
- Tim Rochte
- Bruce Payne
- Bill Moylan
- Jim Salio
- Dave Duggan (representing Dustan Mattingly)

Chairman Young set the date of June 23, 2006 by 5:00 p.m. for submittal of briefs. Briefs should be sent to Michael Thomas, Assistant Executive Officer, at the Central Coast Regional Water Board. July 21, 2006 is the date for submittal of reply briefs.

(Chairman Young announced a lunch break at 1:20 p.m. The meeting reconvened at 2:00 p.m.)



Thursday, May 11, 2006 – 2:00 p.m.

Roll Call Executive Assistant Carol Hewitt

Board Members Present:
Chairman Jeffrey Young
Vice-Chair Russell Jeffries
Leslie Bowker
John Hayashi
Monica Hunter
Gary Shallcross

Absent:
Daniel Press

Introductions Executive Officer Roger Briggs

Executive Officer Briggs introduced staff and Alexis Strauss, USEPA, and asked all those who wished to speak to fill out testimony cards and submit them. Mr. Briggs noted that Supplement sheets are available for item numbers 6, 9, 14, and 24.

3. Approval of March 24, 2006 Meeting Minutes Board Motion

MOTION: Russell Jeffries moved to approve the March 24, 2006 meeting minutes.
SECOND: Les Bowker
CARRIED – Unanimously (6-0)

4. Report by State Water Resources Control Board Liaison Status Report

Mr. Secundy was unable to attend the meeting. No report.

5. Uncontested Items Calendar Board Motion

Items on the consent calendar are Item numbers 13-20. Mr. Briggs recommended removing Item No. 13 from the consent calendar due to comments received. There is a minor correction in Item No. 14.

MOTION: Russell Jeffries moved to approve the consent calendar Items 14-20, with the correction in Item No. 14.
SECONDED: Les Bowker.
CARRIED – Unanimously (6-0)

6. Morro Bay/Cayucos Wastewater Treatment Plant NPDES Permit Order No. R3-2006-0019

A transcript of this item is available at:
<http://www.waterboards.ca.gov/centralcoast/Board/Meetings/documents/MorroBay-CayucosWWTPHearing-5-11-06.pdf>

The Chair addressed procedural objections by Natural Resources Defense Council (NRDC) staff related to submittal of written documents into the record.

Central Coast Water Board Chair Jeff Young described hearing procedures and swore in witnesses. U.S. EPA Hearing Officer Alexis Strauss explained the joint hearing and U.S. EPA processes.

Shell Beach resident Jennifer Jozwiak urged the Board to move for the greatest possible advancement of wastewater treatment.

Water Board staff Matt Thompson presented staff's recommendation to concur with EPA's



reissuance of the Clean Water Act Section 301(h)-Modified NPDES Permit for the Morro Bay/Cayucos Wastewater Treatment Plant (WWTP), to effectuate a settlement agreement enforcing an upgrade of the WWTP to full secondary treatment standards, and possibly tertiary treatment, by March 31, 2014.

Morro Bay City Manager Bob Hendrix introduced Morro Bay and Cayucos representatives. Cayucos Sanitary District President Robert Enns noted that Morro Bay and Cayucos have agreed to complete the upgrade as fast as possible. Morro Bay Mayor Janice Peters testified that the proposed upgrade schedule is appropriate to allow for all the necessary steps of the upgrade. Morro Bay Wastewater Division Manager Bruce Keogh described the wastewater treatment plant and Dr. Douglas Coats of Marine Research Specialists (consultant to Morro Bay and Cayucos) described the monitoring program and results. Dr. Coats discussed sea otters extensively.

(Chairman Young announced a break at 3:40 p.m. The meeting reconvened at 3:50 p.m.)

David Beckman and Anjali Jaiswal of the Natural Resources Defense Council (NRDC) made several arguments supporting their recommendation to deny reissuance of the Permit and require upgrade of the WWTP faster than proposed. Board members had several questions regarding balanced indigenous population (BIP).

USEPA staff marine scientist Aaron Setran, who participated by phone, explained U.S. EPA's BIP evaluation process—more specifically, their reliance on monitoring of bottom-dwelling ("benthic") marine life, as opposed to transient species such as sea otters.

Alexis Strauss clarified that U.S. EPA will complete a biological assessment and pursue an Endangered Species Act consultation prior to making its final decision.

(Chairman Young announced a break at 6:03 p.m. The meeting reconvened at 6:15 p.m.)

Interested Persons Steve Shimek of the Otter Project, Joey Racano, Kaya Freeman of

Surfrider Foundation, Morro Bay resident Margaret Webb, Andrew Christie of the Sierra Club, Noah Smukler of Surfrider Foundation, Los Osos resident Alon Perlman, and Morro Bay resident Peter Risley testified. Several urged the Board to deny reissuance of the Permit and require the Discharger to complete the upgrade faster than proposed.

Water Board staff Karen Worcester briefly discussed the sea otter mortality problem.

After closing statements by representatives of Morro Bay, Cayucos and NRDC, Water Board staff Matt Thompson and Executive Officer Roger Briggs again recommended concurrence with reissuance of the NPDES Permit.

Water Board counsel Lori Okun explained BIP legal requirements.

(Chairman Young announced a break to Closed Session at 8:07 p.m. The meeting reconvened at 8:30 p.m.)

After closed session, Board members deliberated and discussed reasons for their individual votes.



MOTION: Les Bowker moved to approve Order No. R3-2006-0019 to include recommended language changes.

SECOND: None.

A roll call vote was taken with the results below:

- Les Bowker - yes
- John Hayashi - yes
- Russell Jeffries - no
- Jeffrey Young - yes
- Gary Shallcross - no
- Monica Hunter - no

The vote is a tie, 3 yes, 3 no, and did not carry.

MOTION: Gary Shallcross moved to continue the item.

SECOND: Monica Hunter

CARRIED: Unanimously (6-0)

(Item #7/Public Forum was taken up during Item #6 in consideration of speakers with time constraints)

7. Public Forum Board Direction

Comments were made by:

- Noah Smukler, San Luis Bay Chapter of Surfrider
- Alon Perlman, Los Osos Community Advisory Council (LOCAC)

Chairman Young adjourned the public meeting at 9:05 p.m. The meeting will continue on Friday, May 12, 2006 at 8:30 a.m. in San Luis Obispo.



Friday, May 12, 2006 – 8:30 a.m.

Chairman Jeffrey Young called the meeting of the Central Coast Regional Water Board to order at 8:40 a.m. on May 12, 2006, at the Central Coast Water Board Conference Room, 895 Aerovista Place, Suite 101, San Luis Obispo, California.

Roll Call Executive Assistant Carol Hewitt

Board Members Present:

Chairman Jeffrey Young
Vice-Chair Russell Jeffries
Leslie Bowker
John Hayashi
Monica Hunter
Gary Shallcross

Absent:

Daniel Press

Introductions Executive Officer Roger Briggs

Executive Officer Briggs introduced staff and asked all those who wished to speak to fill out testimony cards and submit them. Supplemental sheets available are for Items 9, 14, and 24. Senior Engineer John Robertson introduced new staff members Peter Meertens and Dean Thomas.

9. Perchlorate Cases Status Report

Staff Engineer Hector Hernandez gave a brief oral update to supplement the written staff report and indicated that staff would be available to answer specific questions related to the Olin project.

Ms. Thea Tryon of Water Board staff presented an overview concerning the detections of perchlorate concentrations in the Nordstrom Well and explained the basis for staff's determination that Olin is not responsible for perchlorate detected in the Nordstrom Well at this time.

Following staff's presentation, the City of Morgan Hill's General Manager, Ed Tewes, provided a five-minute presentation of the City's perspective in relation to this matter.

Water Board members asked for clarification on the cleanup efforts being implemented by the City of Morgan Hill and the establishment of a cleanup level for the area northeast of the Site. Water Board members also asked staff to elaborate on the identified potential sources of perchlorate and to indicate when a cleanup level for perchlorate in groundwater would be

established. Water Board members asked whether Olin would be required to conduct any characterization work in addition to what has been performed thus far northeast of the Site. Mr. Hernandez and Ms. Tryon provided staff responses.

In response to Water Board member questions, Olin representative Curt Richards addressed the Water Board and provided Olin's perspective on the ongoing activities associated with the Olin Site. Mr. Richards stressed the significant level of effort and expense that Olin has and continues to invest as part of its cleanup and investigation activities. Water Board staff concluded by reiterating that cleanup activities are proceeding in accordance with the Cleanup Order schedule. Olin has been cooperative and proactive.

Chairman Jeff Young requested that staff prepare a perchlorate source priority report. Staff will also provide an overview of Olin's Cleanup Feasibility Study document and a discussion about cleanup levels and other



potential perchlorate sources at the September 2006 Board meeting.

10. Scotts Valley Dry Cleaners Status Report

Regional Board staff Karyn Steckling responded to Board member Russell Jeffries' questions regarding the necessity of installing a deep well at this time because MW-13B did not contain tetrachloroethene (PCE) during the last two sampling events. Board member Jeffries does not want the responsible parties to spend unnecessary money on tasks that are unwarranted. Staff indicated that the deep well is necessary to characterize the plume and establish the groundwater flow direction in the deeper aquifer, and this plan was dismissed with the stakeholders, including Scotts Valley Dry Cleaners in a meeting in March. Board member Jeffries noted that he would like to see outstanding matters resolved at this site.

11. Underground Tank Program and MTBE Priority Sites Status Report

The Board had no questions on this item.

12. Low Threat and General Discharge Cases Information/Discussion/Board Approval

Mr. Briggs reviewed the Low Threat and General Discharge cases. The Board had no questions on this item.

13. Buena Vista Landfill Order No. R3-2006-0002

Staff engineer Martin Fletcher presented the Board with additional comments from Santa Cruz County and staff's response. The County's comments addressed three issues:

1. Staff response to comment #9 (100 year storm requirements) within the staff report.
2. Seismic deformation allowable design limit.
3. Requirement for third party construction quality assurance.

For Item 1, Mr. Fletcher retracted the response to comment #9 within the staff report and stated to the Board that the Discharger was not out of compliance as originally stated. For Item 2, Mr. Fletcher proposed language

changes to Specification C.34 of the proposed Order. Lori Okun, legal counsel for the Regional Board, recommended several additional changes to the proposed language. Specification C.34, incorporating all proposed language and legal changes, is shown below:

C.34 The integrity of final slopes shall be maintained to handle design static and dynamic conditions to protect public health and safety and prevent damage to post-closure land uses, roads, structures, utilities, gas monitoring and control systems, leachate collection and control systems to prevent public contact with leachate, and prevent exposure of waste. Slope stability analyses shall be conducted and reported pursuant to the requirements of Division 2, Subdivision 1,



Chapter 4, Subchapter 3, Article 4 Section 21750(f)(5). A minimum factor of safety of 1.5 is required for permanent and interim slopes under static slope stability analyses. Unless otherwise approved by the Executive Officer, for seismic deformation analysis, the acceptable limit for permanent slope displacement is 6 inches for bottom liners and slopes, and 12 inches for final cover system slopes. Up to 12 inches of slope displacement may be acceptable for bottom liners and slopes, and up to 36 inches of slope

displacement may be acceptable for final cover system slopes, if a report approved by the Executive Officer documents that the foundation, bottom liner, slopes, final cover system, and/or the structures, which control leachate, surface drainage, erosion, or gas can accommodate the permanent slope displacement without jeopardizing the integrity of the containment structures or be reasonably repaired to perform as originally intended.

Mr. Fletcher responded to Item 3 by referring to the response within the staff report as satisfactory and recommending no changes.

Board member Jeffries asked if the County had a representative at the Board Meeting and if they had agreed with the proposed Waste Discharge Requirements and specification C.34 as modified. Patrick Mathews, Recycling and Solid Waste Services Manager with the County of Santa Cruz, addressed the Board and stated that they were in agreement with the Waste Discharge Requirements as proposed and modified.

MOTION: Russell Jeffries moved to approve Order No. R3-2006-0002 with the recommended changes.

SECOND: Les Bowker

CARRIED: Unanimously (6-0)

21. Enforcement Report..... Status Report

Harvey Packard noted a significant spill at the Furtado Dairy near Gilroy. The Santa Clara District Attorney investigator has been at the site and staff engineer Michael Higgins has

been at the site. Large amounts of manure and manure-tainted wastewater were discharged to surface water at the site. Chairman Young asked about the extensive



list of Notice of Violation (NOV) letters. Mr. Packard noted that this is a new process that staff is working on and each NOV was listed specifically. Storm water issues were also discussed for various sites. Board members liked the new format and will send staff email communications or phone staff with specific questions on future reports.

22. Moss Landing Power Plant Back-flushing Settlement..... Board Approval

Amanda Bern, Environmental Scientist, presented two projects proposed for funding through the Moss Landing Backflushing Supplemental Environmental Project Fund. The first project by the Resources Conservation District of Monterey County proposed to install two 500 ft vegetated treatment systems, and to repair a degraded stream channel. Requested funding amount was \$500,000. The second project proposed for funding was to perform toxicity reduction potential on the vegetated treatment systems. The requested amount for that project was \$136,379.

Board member Jeffries stated that he was very concerned about future impacts to waterways as a result of increased urban development and subsequent increase in impervious surface areas. He and Chairman Young inquired if staff is working with the city of Salinas on this issue. Ms. Bern replied that non point source staff has been discussing with county and city staff the problems associated with increased impervious surface cover. She also stated that the proposed stream restoration project would incorporate future run-off in the design of the project. Executive Officer Roger Briggs replied that storm water staff Donette Dunaway is currently working with the city of Salinas to reduce impacts to surface waters associated with increased development, and the City if proceeding with its model ordinance, thanks to funding awarded by the Regional Board.

Board member Shallcross asked why growers would want to participate in these projects, what advantage do they get from these projects? Ms. Bern replied there were a variety of reasons a grower may participate;

some growers are concerned that they may be polluting the environment, and want to prevent that, many of these projects not only prevent pollution, but also help the grower protect valuable resources, and some growers want to prevent the possibility of enforcement. Board member Shallcross requested for future proposals, that each project be given separate budgets.

Board member Hunter asked if the demo projects paid for through these funds would enhance other funding available to farmers. Ms. Bern replied that if the Resource Conservation District can show that the vegetated treatment system is a viable model, other funding agencies, such as the Natural Resources Conservation Service, would be able to use farm bill funds to implement these types of projects on other farms. These projects will also be used to demonstrate techniques in farm management classes attended by many other operators.



MOTION: Russell Jeffries moved to approve the vegetated treatment system and channel restoration project for \$500,000 and the toxicity effectiveness monitoring project for vegetated treatment systems for \$136,379.

SECOND: Les Bowker.

CARRIED: Unanimously (6-0)

23. Reports by Central Coast Water Board Members Status Report

Chairman Young spoke to Dr. Press about participating in the Morro Bay/Cayucos WWTP Permit. Dr. Press is interested in participating on the item and will review the record of the May 11-12, 2006 Board meeting which will enable him to participate in a final vote on the issue.

24. Executive Officer's Report Information/Discussion

Executive Officer Briggs noted the section of his report on the San Miguel Cadmium issues.

David Broadwater, resident of Atascadero, thanked Sheila Soderberg for providing the report. Mr. Broadwater voiced concerns about the cadmium contamination and creosote spurs. He updated the Board on actions taken by the County and requested that the Regional Board write a letter to the Planning Department stating concern that there may be surface to groundwater contamination issues but that more information needs to be developed. Sheila Soderberg noted that the County is the lead agency at this time and they will direct the developer to do additional assessments. Chairman Young requested that this item be included on the next Executive Officer's Report. Mr. Young also requested that Sheila Soderberg write a letter to the County requesting a thorough investigation.

Mr. Briggs noted the agricultural field trip and discussed methods being used with beneficial plants that attract insects that are good for the crops (Integrated Pest Management). He also discussed vegetative swales and the benefits they offer. The methods save money and benefit water quality. The cost savings provide a powerful incentive for other operators. Dr. Hunter discussed the benefits of the State Board members attending the Tour, due to their ability to get a better understanding of the issues concerning ag operators.

Mr. Briggs noted that the Future Agenda list was provided to give the Board an idea about the timing of various power plant issues. He also discussed the plan to have Moss Landing Power Plant and desal questions from the Elkhorn Slough Coalition, and staff responses. Board member Jeffries requested that staff provide information on power plant issues (Lands Commission, USEPA) for the Board. Mr. Briggs said that information will be included in the September Executive Officer's report.

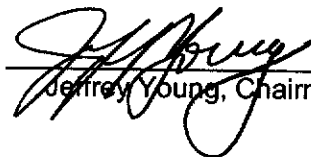
Chairman Young asked about the memo that Julia Dyer sent to the Board about the East Fork Timber Harvest Plan. He asked about the status of the permit. Chris Adair reported that the Timber Harvest Plan has been approved. An update will be provided at the July meeting.

Board member Hunter discussed the Water Quality Coordinating Committee (WQCC) meeting. She noted that Michael Thomas gave an excellent presentation on this Region's vision and proactive strategies. State Board members made positive comments about the presentation and Chair Doduc is very excited about putting some of the elements to work at the State Board and the other Regional Boards.



Chairman Young adjourned the meeting at 1:30 p.m. The next Board meeting will be an offsite meeting on June 8, 2006.

The meeting was audio recorded and the minutes were reviewed by management, and approved by the Board at its July 7, 2006 meeting in San Luis Obispo, California.


Jeffrey Young, Chairman

H/ALLMYDOCS/BOARD MINUTES/MAY06mins/carol

