

Central Valley Regional Water Quality Control Board

10 March 2025

Chris Savage, Vice President
 Environmental Health and Safety and Sustainability
 E. & J. Gallo Winery
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APPROVAL OF ONE YEAR EXTENSION OF COMPLIANCE DEADLINES, E. & J. GALLO WINERY, FRESNO WINERY, TIME SCHEDULE ORDER R5-2022-0901, FRESNO COUNTY

I. Background

Waste Discharge Requirements Order R5-2015-0040 (WDRs) for the E. & J. Gallo Winery (Gallo) Fresno Winery (Winery) authorizes the discharge of winery process wastewater to land. The WDRs incorporate Monitoring and Reporting Program R5-2015-0040 and Standard Provisions and Reporting Requirements for Waste Discharge Requirements dated 1 March 1991.

The Winery is also regulated by Time Schedule Order R5-2022-0901 (TSO). The TSO was ordered on behalf of the Central Valley Regional Water Quality Control Board (Central Valley Water Board) by its Executive Officer on 25 July 2022 and requires Gallo to eliminate the discharge of ion exchange regenerate (IER) to land. The TSO describes Gallo’s proposed transition plan for eliminating IER discharge to land, which includes installation and implementation of a bi-polar electro dialysis (BPED) system as an alternative to its existing ion exchange system.

II. Time Schedule Order

Table 6 of the TSO, reproduced below, outlines Gallo’s IER transition plan.

Table 6 – IER Transition Plan

Year(s)	Transition Plan Activity
2022	<i>Begin operation of Phase I of the BPED System by 2022 (install STACK 1).</i>
2024	<i>Ramp up Phase I of the BPED System (i.e., install STACK 2). Reduce IER application by at least 10% (i.e., not apply more than 6.93 million gallons of IER annually for the 2024 and 2025 calendar years to the Compost Facility).</i>
2025	<i>Optimize Phase I and advance capital for Phase II of the BPED System.</i>

Year(s)	Transition Plan Activity
2026	<i>Begin Phase II of the BPED System (Install STACKs 3 and 4). Reduce IER application by at least 20% (i.e., not apply more than 6.2 million gallons of IER for the 2026 calendar year to the Compost Facility).</i>
2027	<i>Continue ramp up of Phase II and reduction of IER process. Reduce IER application by at least 40% (i.e., not apply more than 4.6 million gallons of IER for the 2027 calendar year to the Compost Facility).</i>
2028	<i>Continue ramp up of Phase II and reduction of IER process. Reduce IER application by at least 60%. (i.e., not apply more than 3.1 million gallons of IER for the 2028 calendar year to the Compost Facility).</i>
2029	<i>Continue ramp up of Phase II and reduction of IER process. Reduce IER application by at least 80%. (i.e., not apply more than 1.5 million gallons of IER for the 2029 calendar year to the Compost Facility).</i>
<i>By 1 January 2030</i>	<i>Complete elimination of IER application to the compost facility.</i>

The TSO requires that the following tasks be completed by specific deadlines:

1. **By 1 January 2030**, Gallo Winery shall comply with WDRs Order R5-2015-0040, including Discharge Specifications C.1, C.2, and C.8 and Groundwater Limitations F.1, F.2, and F.3, and cease the application of IER to the Compost Facility **in accordance with the following compliance schedule.**

Table 9 – Compliance Schedule

Task	Task Description
a.	By 15 September 2022 , Gallo shall commence Phase I of the BPED system as described in Gallo’s August 2020 Transition Plan (summarized in Findings 23 and 24 above). By this date, Gallo shall provide certification that Phase I of the BPED system has commenced.
b.	By 1 July 2026 , Gallo shall commence Phase II of the BPED system as described in Gallo’s August 2020 Transition Plan (summarized in Findings 23 and 24 above). By this date, Gallo shall provide certification that Phase II of the BPED system has commenced.
c.	By 1 January 2030 , Gallo shall cease discharge of IER to compost. By this date, Gallo shall provide certification that IER is no longer used in composting. If composting activities are still occurring at the Winery at this date, Gallo and the composting operator (if a separate entity) shall submit a Notice of Intent (NOI)/ application by 2 January 2030 for enrollment under General Waste Discharge Requirements for Commercial Composting Operations, State Water Resources Control Board Order WQ 2020-0012-DWQ (Composting General Order) or subsequently revised Composting General Order if applicable.

Central Valley Water Board files indicate that Gallo has completed Task a. in Table 9 as of 6 September 2022.

The TSO states that:

If, for any reason, Gallo is unable to perform any activity or submit any document in compliance with the time schedule set forth herein, or in compliance with any work schedule submitted pursuant to this Order and approved by the Executive Officer, Gallo may request, in writing, an extension of the time specified not to exceed one year. The extension request shall include justification for the delay. An extension may be granted by revision of this Order or by letter from the Executive Officer.

III. Request for Extension of TSO Compliance Deadlines

On 20 November and 11 December 2024, Central Valley Water Board staff received letters from Gallo dated 19 November and 11 December 2024, respectively, requesting a one-year extension on the deadlines specified in the TSO. The letters indicate that Gallo has faced operational challenges with its BPED system, which has caused delays in its anticipated implementation schedule. The letters indicate that Gallo is still committed to using BPED technology to comply with the TSO, and the 11 December 2024 letter included a revised IER transition plan that indicates that all IER applications to Gallo's compost facility will be eliminated by 1 January 2031.

IV. Revised TSO Compliance Deadlines

This letter serves as formal notice that the compliance deadlines for the tasks described in the TSO that have not yet been completed are hereby extended by one year. The revised compliance deadlines are as follows:

1. **By 1 January 2031**, Gallo Winery shall comply with WDRs Order R5-2015-0040, including Discharge Specifications C.1, C.2, and C.8 and Groundwater Limitations F.1, F.2, and F.3, and cease the application of EIR to the Compost Facility **in accordance with the following compliance schedule.**

<u>Task</u>	<u>Task Description</u>
b.	<i>By 1 July 2027, Gallo shall commence Phase II of the BPED system as described in Gallo's August 2020 Transition Plan (summarized in Findings 23 and 24 above). By this date, Gallo shall provide certification that Phase II of the BPED system has commenced.</i>
c.	<i>By 1 January 2031, Gallo shall cease discharge of IER to compost. By this date, Gallo shall provide certification that IER is no longer used in composting. If composting activities are still occurring at the Winery at this date, Gallo and the composting operator (if a separate entity) shall submit a Notice of Intent (NOI)/ application by 2 January 2030 for enrollment under General Waste Discharge Requirements for Commercial Composting Operations, State Water</i>

<u>Task</u>	<u>Task Description</u>
	<i>Resources Control Board Order WQ 2020-0012-DWQ (Composting General Order) or subsequently revised Composting General Order if applicable.</i>

All other aspects of the TSO remain in effect. As required by the TSO, Gallo shall continue to submit annual update reports on the status and progress of utilizing BPED technology for its processing needs and the progress of eliminating the application of IER to compost by **1 February of each year**.

Any person aggrieved by this action of the Central Valley Water Board may petition the State Water Resources Control Board to review the action in accordance with California Water Code section 13320 and California Code of Regulations, title 23, sections 2050 and following. The State Water Resources Control Board must receive the petition by 5:00 p.m., 30 days after the date of this letter, except that if the thirtieth day following the date of this Order falls on a Saturday, Sunday, or state holiday, the petition must be received by the State Water Resources Control Board by 5:00 p.m. on the next business day. [Copies of the law and regulations applicable to filing petitions](#) may be found on the internet (http://www.waterboards.ca.gov/public_notices/petitions/water_quality) or will be provided upon request.

Should you have any questions regarding this matter, please contact Omar Mostafa at 559-445-5197 or omar.mostafa@waterboards.ca.gov.

Original signed by Christina Shupe
For Patrick Pulupa
Executive Officer

cc: John Baum, Assistant Executive Officer, Central Valley Water Board, Rancho Cordova (email only)
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