

**STATE OF CALIFORNIA
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
LOS ANGELES REGION**

**CEASE AND DESIST ORDER NO. R4-2011-XXXX
REQUIRING THE RESIDENTIAL FUND 1347, LLC
TO UNDERTAKE ACTIONS
TOWARD COMPLIANCE WITH WASTE DISCHARGE REQUIREMENTS CONTAINED IN THE
WASTE DISCHARGE REQUIREMENTS FOR DISCHARGES FROM THE PARADISE RANCH
WASTEWATER TREATMENT PLANT
(File No. 69-58)**

The California Regional Water Quality Control Board, Los Angeles Region (Regional Board) finds:

1. Residential Fund 1347, LLC (hereinafter Discharger) owns Paradise Ranch Mobile Home Park (Site), located at 36200 Paradise Ranch Road, Castaic, California. The Discharger operates the Paradise Ranch Wastewater Treatment Plant (Facility) which treats 14,500 gallons per day (gpd) of domestic wastewater from a 94-unit mobile home park and discharges the effluent to a spray disposal area, under Waste Discharge Requirements (WDR) and Water Reclamation Requirements (WRR) contained in Order No. 89-029, adopted by the Los Angeles Regional Water Quality Control Board (Regional Board) on March 27, 1989.
2. In November 1998, Kenneth D. Smith, sold the Site and transferred the right to operate the Facility under Order No. 89-029 to Santiago Associates, LLC. On December 15, 2009, a notice of default was filed for foreclosure of Paradise Ranch real property owned by Santiago Associate LLC. On May 13, 2010, Residential Trust 1347, LLC. bought the Site including the wastewater treatment plant. At the same time, the authority to operate the Facility under Order No. 89-029 was transferred to the Residential Trust 1347, LLC.
3. During the August 30, 2011 inspection, Regional Board staff verified that the Site consists of 342.62 acres of land, including the 94-unit mobile home park, an office/recreation building (clubhouse), a swimming pool, a Jacuzzi, an inactive racetrack, a Public Water System (PWS), and a secondary wastewater treatment plant.
4. The Site originally used groundwater from on-site water supply wells as the source for drinking water. However, the groundwater has exceeded the California upper secondary maximum contaminant levels (MCLs) of 1,000 milligrams per liter (mg/L) for total dissolved solids (TDS) and 500 mg/L for sulfate. From 2004 through 2008, Santiago Associate LLC imported 100% of the potable water supply from Casitas Lake Water District to meet California drinking water standards. The water supply to the Site was delivered by private tanker trucks.

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September 9, 2011

5. In 2009, Santiago Associate LLC completed installation of a PWS to treat the well water to comply with the drinking water standards due to poor quality of the well water supply at the Site. The PWS as defined by the California Health and Safety (H&S) Code, section 116275(h) was constructed at the Site. The PWS is regulated by the California Department of Public Health (CDPH) water system number 1910099. The PWS serves 94 service connections and a population of approximately 217 persons. Presently, The PWS provides a water supply by blending local groundwater with the hauled imported water.
6. Domestic wastewater originated from 94 mobile home units, a clubhouse, and a common laundry room to the Facility. The daily average flow is 14,500 gpd and the peak flow is between 25,000 to 30,000 gpd. The wastewater treatment system was manufactured by Aer-O-Flo Corporation. It is an activated sludge system with extended aeration process, capable of treating 40,000 gallons per day of domestic sewage. The existing wastewater treatment plant includes sedimentation and aeration together with secondary clarification followed by disinfection. Disinfection is achieved by chlorination.
7. Treated effluent from the Facility is currently being discharged to a primary spray disposal area. Under normal conditions, treated effluent is discharged directly from the wastewater treatment plant to the spray disposal area.
8. The compliance history of Paradise Ranch Mobile Home Park is summarized as follows:
 - a. On April 9, 2001, the Executive Officer issued Santiago Associates, LLC a Notice of Violation (NOV) for repeated effluent limit exceedances from December 1998 through December 2000 for TDS, chloride, sulfate, boron, fluoride, and coliform and required submittal of a report detailing corrective action taken or proposed to preclude future effluent violations.
 - b. On July 23, 2001, the Executive Officer issued Santiago Associates, LLC a second NOV for nonsubmittal of the 1st Quarter 2001 report and for the violations of effluent limitations for TDS, chloride, sulfate, and boron during 2nd Quarter of 2001. The NOV required submittal of a report detailing corrective action taken or proposed to preclude future effluent violations.
 - c. On July 10, 2002, the Executive Officer issued Santiago Associates LLC a third NOV for violating the effluent limitations for TDS, sulfate, chloride, boron, and fluoride from 3rd Quarter 2001 through 1st Quarter 2002 and for the unauthorized discharge of regeneration brine into the effluent channel of the PRWTP. The NOV requested a report detailing the plans to achieve compliance with effluent limitations contained in Order No. 89-029.

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- d. On October 17, 2003, the Executive Officer issued Santiago Associates LLC a fourth NOV for violations of the effluent limitations for TDS, sulfate, chloride, boron and nitrate from 2nd Quarter 2002 through 2nd Quarter 2003 and for the unauthorized discharge of regeneration brine into the effluent channel of the PRWTP. The NOV requested a report detailing implementation of corrective and preventative actions to bring the discharge into full compliance with effluent limitations of Board Order No. 89-029.
- e. On August 18, 2005, the Executive Officer issued Santiago Associates LLC a fifth NOV and Request for Technical Information pursuant to CWC section 13267 for the violations found during the March 30, 2005 inspection. The letter also required additional information on the discharge of brine.
- f. On March 20, 2006, the Executive Officer issued Complaint No. R4-2006-0010 for Administrative Civil Liability (ACL) against the Santiago Associates, LLC in the amount of \$1,028,553 for 168 effluent violations of waste discharge requirements and for making unauthorized discharges of regeneration brine and reverse osmosis reject water to the Facility in the period from November 18, 1998 through June 1, 2005.
- g. On March 20, 2006, the Executive Officer issued Cleanup and Abatement Order (CAO) No. R4-2006-0011 to Santiago Associates, LLC. The CAO required Santiago Associates, LLC to implement necessary measures at the Site to eliminate and abate the discharge of brine into the wastewater treatment plant and the effluent channel of the wastewater treatment plant.
- h. Santiago Associates, LLC responses to the CAO were received on April 19, May 19, June 8, July 17, and July 19, 2006. On October 13, 2006, Regional Board staff conducted an inspection of the facility and confirmed that all unauthorized discharges of brine had stopped. The Regional Board reviewed the responses to the CAO and issued a CAO completion letter on January 12, 2007.
- i. On June 18, 2007, Regional Board staff issued the Revised ACL Complaint in the amount of \$520,087, which supersedes Complaint No. R4-2006-0010. The Revised ACL Complaint considers the financial documents submitted by Santiago Associates, LLC on March 23, 2007, as well as its comments to the draft Panel Hearing package received on April 23, 2007. Upon reevaluation and considering the Santiago Associates, LLC possible inability to pay, the Revised ACL Complaint is only limited to violations that occurred after March 20, 2003. Further, Regional Board staff finds it appropriate to issue the Revised ACL Complaint against Santiago Associates, LLC and Mr. Richard Hall, as a responsible corporate officer of Santiago Associates, LLC. On December 15, 2009, a notice of default was filed for foreclosure of Paradise Ranch real property owned by Santiago Associate LLC.

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- j. On April 25, 2008 and April 6, 2009, Regional Board staff directed Santiago Associates, LLC to submit more information for the Report of Waste Discharge (RoWD) in order to revise the WDR.
 - k. On February 25, 2010, Regional Board staff issued an NOV to Santiago Associates, LLC for failing to submit information for the RoWD, as directed.
 - l. On June 15, 2010, Residential Fund 1347, LLC, the new owner and operator, submitted additional information to partially complete RoWD.
 - m. On June 29, 2011, Residential Fund 1347, LLC submitted supporting documentation to complete RoWD.
9. WDR Order No. R4-2011-XXXX, adopted by the Regional Board on November 10, 2011 specifies requirements for the Discharger's wastewater treatment plant, which is owned and operated by Residential Fund 1347, LLC. The WDR Order No. R4-2011-XXXX includes updated effluent limits and requirements which require upgrade of the treatment system in order to meet those limits.
 10. California Water Code Section 13301 provides in pertinent part "Whenever a Regional Board finds that a discharge of waste is taking place or threatening to take place in violation of requirements or discharge prohibitions prescribed by the Regional Board, or the State Board, the Board may issue an order to cease and desist and direct those persons not complying with the requirements or discharge prohibitions (a) comply forthwith (b) comply in accordance with a time schedule set by the board; or (c) in the event of a threatened violation, take appropriate remedial or preventive action."
 11. Residential Fund 1347, LLC cannot achieve immediate compliance with the requirements listed in the WDR Order No. R4-2011-XXXX. Therefore this Cease and Desists Order (CDO) sets forth a time schedule to allow the Discharger sufficient time to complete corrective and preventative actions to achieve compliance with this WDR.
 12. On September 9, 2011, the Regional Board notified the Discharger, interested agencies and persons, including stakeholders of the watershed, of its intent to issue a CDO concerning violations or threatened violations of waste discharge requirements. The comment period ended on October 10, 2011.
 13. The Regional Board, in a public meeting, heard and considered all testimony pertinent to this matter. All Orders referred to above and records of hearings and testimony therein are included herein by reference.
 14. This project involves the issuance of WDRs for an existing facility, as such, is exempt from the provisions of the California Environmental Quality Act (Public Resources Code, section 2100 et seq.) in accordance with title 14, California Code of Regulations, Chapter 3, section 15301.

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15. Any person affected by this action of the Regional Board may petition the State Water Resources Control Board to review the action in accordance with Section 2050 through 2068, Title 23, California Code of Regulations. The petition must be received by the State Water Resources Control Board, Office of Chief Counsel, P.O. Box 100, Sacramento, CA, 95812-0100, within 30 days of the date on which the Regional Board action took place. Copies of the law and regulations applicable to filing petitions are available at http://www.waterboards.ca.gov/laws_regulations/ and also will be provided upon request.

IT IS HEREBY ORDERED that, pursuant to the California Water Code Section 13301, Residential Fund 1347, LLC as the owner and operator of the onsite wastewater treatment plant that discharges final effluent to a spray disposal area, shall cease and desist discharging waste in violation of Order No. R4-2011-XXXX, by complying with the following:

1. The Discharger shall immediately comply with the following interim effluent limits:

INTERIM EFFLUENT LIMITATIONS

<u>Constituent</u>	<u>Units*</u>	<u>7 Days Median</u>	<u>Daily Maximum</u>
Oil and Grease	mg/L	--	15
BOD5 (20°C)	mg/L	--	45
Suspended Solids	mg/L	--	45
Total Dissolved Solids	mg/L	--	1,997 ¹
Sulfate	mg/L	--	724 ¹
Chloride	mg/L	--	200
Boron	mg/L	--	2
Nitrate-N + Nitrite-N + Ammonia-N + Organic-N	mg/L	--	10
Total Coliform	MPN/100ml	23	240²

* mg/L: milligrams per liter

¹ Interim effluent limits are derived statistically at the 99 percentile of monitoring data collected from 2nd quarter 2009 through 2nd quarter 2011.

² If total coliform exceeds 240 MPN/100mL, the Discharger shall collect samples for total coliform analysis on a daily basis until the effluent achieves compliance.

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2. By **January 10, 2012**, the Discharger shall submit a groundwater monitoring work plan, identifying the number and locations of the groundwater monitoring wells, to evaluate the impact of the effluent discharges to groundwater at the disposal area.
3. By **February 10, 2012**, the Discharger shall comply with the requirements by preventing access and installing appropriate signage at the disposal area. The Discharger shall submit a report to demonstrate that no unauthorized access by members of the general public occurs.
4. By **February 10, 2012**, the Discharger shall submit documentation that it has obtained Certification for the Wastewater Plant Operator pursuant to CCR, title 23, division 3, chapter 26. Classification of Wastewater Treatment Plants and Operator Certification. The certification can be obtained through the Office of Operator Certification at P.O. Box 944212, Sacramento, CA 94244.
5. By **February 10, 2012**, the Discharger shall submit an engineering plan for upgrading the existing wastewater treatment plant to produce an effluent that will meet the required effluent limitations.
6. By **March 10, 2012**, the discharger shall implement the approved groundwater monitoring work plan.
7. By **June 10, 2012**, the discharger shall complete construction specified in the groundwater monitoring work plan and collect first round of groundwater samples.
8. By **November 10, 2012**, the Discharger shall complete construction of an emergency/wet weather effluent storage tank to contain the treated effluent in case spray irrigation is not possible. An alternative method of disposal shall be established in emergency situations where the volume of effluent exceeds the storage tank capacity.
9. By **February 10, 2013**, the Discharger shall complete wastewater treatment plant upgrade construction and testing, and achieve full compliance with all requirements contained in WDR Order No. R4-2011-XXXX. The discharger must submit a report to demonstrate that the effluent from the wastewater treatment plant does not contribute to the deterioration of the groundwater, if the groundwater quality continues to exceed Basin Plan Objectives.
10. In the event that California Environmental Quality Act requirements or permitting requirements delay the implementation of the engineering plan, the Executive Officer may, at his discretion, extend the time schedule by a period not to exceed 9 months to achieve full compliance with this Order.

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11. The Discharger shall submit quarterly progress reports on the status of the upgrade plan with the first report due on **April 15, 2012**, and quarterly groundwater monitoring reports with the first report due on **July 15, 2012**, in conjunction with self-monitoring reports required under Monitoring and Reporting Program CI No. 5671 and according to the following schedule:

<u>Reporting Period</u>	<u>Report Due</u>
January - March	April 15
April - June	July 15
July - September	October 15
October - December	January 15

12. Failure to comply with this Order may result in the assessment of administrative civil liability in accordance with Section 13350 of the California Water Code. Administrative civil liability may be assessed up to \$10 for each gallon of waste discharged and up to \$5,000 per day for each violation.
13. As required by the California Business and Professions Code Sections 6735, 7835, and 7835.1, all technical reports shall be prepared by, or under the supervision of, a California Registered Engineer or Registered Geologist and shall be signed by the registered professional.
14. If, in the opinion of the Executive Officer, the Discharger fails to comply with the provisions of this Order, the Executive Officer may refer this matter to the Attorney General for judicial enforcement.

I, Samuel Unger, Executive Officer, do hereby certify that the foregoing is a full, true and correct copy of an order adopted by the California Regional Water Quality Control Board, Los Angeles Region, on November 10, 2011.

Samuel Unger, P.E.
Executive Officer

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