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January 17, 2012

Mr. David W. Gibson
Executive Officer
California Regional Water Quality Control Board
San Diego Region
9174 Sky Park Court, Suite 100
San Diego, California 92123-4320

SUBJECT: TENTATIVE ORDER NO. R9-2012-0006; NPDES PERMIT NO. CA0109258; WASTE DISCHARGE REQUIREMENTS FOR LIQUID STONE HOLDINGS, LLC, KOOCHEENVAGNER'S BREWING COMPANY DBA STONE REWING CO., DISCHARGE TO THE PACIFIC OCEAN VIA THE SAN ELIJO OCEAN OUTFALL.

Dear Mr. Gibson:

This letter offers comments from the City of Escondido on TENTATIVE ORDER NO. R9-2012-0006; NPDES PERMIT NO. CA0109258 for KoochenVagner's Brewing Company. Your staff intends to present this tentative order to the Regional Board for adoption at their regularly scheduled meeting on February 8, 2012.

The City's comments are as follow:

1. The City of Escondido, Utilities Department has concerns regarding the City's roles and responsibilities in regulating the discharge from all existing and future facility connections to the IBCS. The Utilities Department requests that the RWQCB clarify the language and intent of the areas of concern prior to issuance of this permit or any other individual permits where discharges are made directly to a City of Escondido facility for conveyance. We anticipate more such permits in the future and do not wish to set a precedent with a permit that is difficult to enforce. Some questions and issues of the concern that are not addressed in the draft permit are:
 - a. If a violation is detected at the end of the outfall, which party will be responsible for addressing the violation and how will that determination be made?
 - b. As the Utilities Department will be providing the conveyance facility, the permittee shall receive from the Utilities Department any discharge restrictions, such as instantaneous and daily flow, and authorization to

facility prior to the RWQCB issuing a permit. A similar requirement should exist for the expansion of existing dischargers.

- c. Periodically the City conveyance system may be offline for maintenance and the discharger may be restricted from using the system.

2. Self-Monitoring Report

The RWQCB classified KoochenVagner's Brewing Company as a minor discharger. The Utilities Department will need to assure the quality of effluent because all effluent flow is combined and discharged directly to the Pacific Ocean. The Utilities Department requests increased self-monitoring by the permittee for Ocean Plan Table A Parameters starting with monthly monitoring in the first year for baseline information followed by quarterly monitoring in the following years if no violations have occurred.

The Utilities Department requests discharger monitoring of Ocean Plan Table B Parameters for the first year of the permit and 180 days before the permit is due to expire. If initial screening detects that these constituents have been exceeded, increased monitoring will be necessary to assure compliance with discharge limits.

3. Volume

The Utilities Department reserves the right to place restrictions on discharge volume and flow of all accepted dischargers that tie into the IBCS. These restrictions of flow for IBCS dischargers will assure the city of Escondido will not exceed its flow limit of 18 MGD (NPDES permit # R9-2010-0086). Please add an appropriate section for discharge volume and flow limits for this permit at a daily maximum flow not exceed of 0.07 MG.

4. Incorrect Calculation:

Utilities Department staffs believe the Phenolic Compound (non-chlorinated) and Chlorinated Phenolics load in lbs/day on Page 13 were erroneously calculated. Please consider revisions below:

Phenolic Compounds (Non-chlorinted)	µg/l	7.14E+03	2.86E+04	7.14E+04
	lbs/day	1.39E-01	5.56E-01	1.39E+00
Revised	lbs/day	4.17E+00	1.67E+01	4.17E+01
Chlorinated Phenolics	µg/l	2.38E+02	9.52E+02	2.38E+03
	lbs/day	9.92E+01	3.97E+02	9.92E+02
Revised	lbs/day	1.39E-01	5.56E-01	1.39E+00

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5. Monitoring Report

The Utilities Department has great interest in assuring compliance of all dischargers through the IBCS, per Page E11 Section X, B, 7, b & c of NPDES CA 0109258. Please add a requirement that the discharger send copies of self-monitoring reports to the City of Escondido at 1521 S. Hale Ave, Escondido, CA 92029.

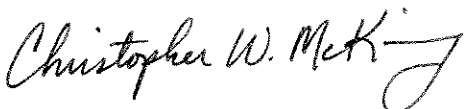
6. If any violation or operational upset occurs, the discharger shall also notify the City of Escondido, Utilities Department as provided the Attachment D, V. Standard Provisions-Reporting, Section E Twenty Four-Hour Reporting Part 1,2, and 3.

The City of Escondido has constructed and owns the IBCS to allow qualified industrial dischargers to discharge specific industrial brine wastewater into this system. The Utilities Department will reserve the right to dictate specific flow volume discharged within this system. It is the Utilities Department's understanding that the Regional Water Quality Control Board (RWQCB) is now responsible for providing the NPDES permit for all qualified dischargers that connect directly to the IBCS. Therefore, prior to the issuance of NPDES permit from RWQCB, the City will need to enter into an agreement with the actual discharger connecting to the system. Utilities Department staff will need to insure that capacity exists for discharge to the system, and to specify volume and flow restrictions to the system. The Utilities Department requests that any discharger that anticipates connecting to the IBCS will need prior approval from City before a permit is issued by the RWQCB.

The Utilities Department appreciates the opportunity to work with the Regional Board staff on developing a permit which will be mutually acceptable. The Utilities Department respectfully requests your continued cooperation in addressing future concerns during development of the final agreements between the City, the RWQCB, and IBCS users.

Please feel free to contact me at (760) 839-4090 to should you have any questions regarding the above.

Sincerely,



Christopher W. McKinney
Director of Utilities