THE WINE GROUP

June 9, 2014

San Francisco Bay Regional Water Quality Control Board
Watershed Management Division
1515 Clay Street, Suite 1400
Oakland, California 94612
Attn: Mr. Blair Allen, Water Resources Control Engineer

Re: Written Response and Comment – Tentative Order for Waste Discharge Requirements for: The Wine Group, LLC – Concannon Winery, Concannon Winery Wastewater Management Systems, Livermore Valley, Alameda County

Mr. Allen,

On behalf of The Wine Group, LLC (TWG), included herein are written comments, responses, and suggested language changes in response to the Tentative Order for Waste Discharge Requirements (TWDR) as prepared for the Concannon Winery (the Facility) and released for public comment on May 9, 2014.

1. ▪ TWG would like to express gratitude to all Staff members and their spirit of cooperation through the permitting process. TWG would also like to express, as a general concern, that the nature of the TWDR includes specific requirements or suggested compliance options and required timeframes that are largely reliant on entities that operate outside of the control and influence of TWG and the Facility. TWG is willing and happy to continue to work with Staff to find the most appropriate compliance solution, but would like to note that many of the restrictions in ability and timing are beyond our direct influence. The current TWDR, as written, with an expiration of two years after adoption, and expected compliance options of connection of all winery wastewater flows to the City of Livermore municipal wastewater treatment system or the removal of an equivalent nitrogen loading from the area within one half mile of the Facility from sources independent of winery operations, include many factors that may be unforeseen at this time, and that could dramatically increase the time, effort, and cost required for completion. While TWG will continue to work towards finding the best management solution for all interested parties, it is very challenging to accept committing to the completion of projects for which we are only one of many stakeholders.

2. ▪ TWG acknowledges and understands that discharge quantity and discharge quality descriptions in the TWDR are based upon published information and best industry

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practice estimates. To assist in providing a more accurate description of actual expected quantities we are providing the following additional collected data.

3. - Discharge quantity: Peak and average daily flows for winery process water as presented in the TWDR are understated. Based on monthly flow readings observed over the course of 2013 from the combined waste water flow meter located downstream of the rotary screen, and estimates of a relative steady monthly flow from the wine bottling wastewater stream, typical winery process flows range between 400 gallons per day to 9,500 gallons per day with an annual daily average of approximately 4,950 gallons per day. As currently stated in the TDWR, flow limitations of a peak maximum of 1,600 gallons per day and an annual daily average of 762 gallons per day for winery process water are not achievable by the winery. Recommended flow estimates for this stream are suggested to be peak maximum of 10,000 gallons per day due to concentrated harvest events due to the variability of grape harvest and an annual daily average of 4,950 gallons per day. Recommended estimated total winery wastewater flow (combined winery process and bottling waste streams) is approximated at 14,782 gallons as an daily annual average.

- Discharge quality:

4. o North/South Domestic System: Estimates of Biochemical Oxygen Demand (BOD), Total Suspended Solids (TSS) and Total Nitrogen (TN) as presented in the TWDR are understated. Based upon available analytical data typical BOD concentrations range between 19 milligrams per liter (mg/L) and 2,900 mg/L with an average concentration of 545 mg/L. TSS concentrations range between 5.3 mg/L and 1800 mg/L with an average concentration of 320 mg/L. TN concentrations range between 33 mg/L and 360 mg/L with and average concentration of 155 mg/L. These concentrations are all likely due to the primarily administrative office environment and low flow water fixtures and employee water conservation practices.

5. While TN concentrations are above the expected performance limit as stated in the TWDR, TWG would like to emphasize that the performance goal of a nitrogen reduction of 50% has been consistently demonstrated as achievable.

6. o Winery Process Wastewater: Estimates of BOD and TSS for the winery process wastewater stream as presented in the TWDR are understated based upon analytical data collected from the winery wastewater sump (after process and bottling water have comingled). The average concentrations of BOD and TSS as collected in the wastewater sump are approximately 1550 mg/L and 100 mg/L respectively, after mixing of the winery process and bottling wastewater has occurred as averaged across

6. (CONTINUED) data available from both crushing and non-crushing months. As such, estimates of BOD and TSS concentrations of both the separate winery process and bottling wastewater streams are believed to be low in TWDR.

7. ▪ In support of additional understanding of current groundwater conditions underlying the Facility as described TWDR finding 21 on page 11 of 29 which presents nitrate concentrations reported from monitoring well (MW) 3S/2E22B1 as sampled by Zone 7, included herein is additional groundwater quality data collected from the two MWs installed by TWG (MW-1 and MW-2) downgradient of the Zone 7 well. Initial sampling results, as collected after installation and as provided to the San Francisco Regional Water Quality Control Board (RWQCB) in the Monitoring Well Installation Report dated December 26, 2013, indicated Nitrate as Nitrogen (NO_3-N) concentrations of 13 mg/L and 6.9 mg/L in wells MW-1 and MW-2, respectively. Additional sampling of these two wells was conducted by Kennedy Jenks Consultants (KJ) on June 3, 2014. At this time both wells were analyzed for NO_3-N and Nitrate as Nitrate (NO_3). Results of this sampling event were as follows: MW-1, 11 mg/L NO_3-N and 48 mg/L NO_3 ; MW-2, 6.8 mg/L NO_3-N and 30 mg/L NO_3. As shown in both sampling events, the quality of the groundwater directly beneath and downgradient of the Facility is less impacted than that of the upgradient MW as sampled by Zone 7, with concentration of Nitrate in MW-2 being below the published maximum contaminant level (MCL) of 10 mg/L NO_3-N and 45 mg/L NO_3.

8. ▪ Finding 28.c. on page 16 of 29 and order provision 7.b. on page 25 of 29 of the TWDR indicate that the Discharger must submit to the RWQCB within 60 days of adoption of the Order, a technical report including locations and construction specifications of groundwater monitoring wells, protocol and schedule for sampling and analysis and persons responsible for sampling and reporting. TWG has provided the requested information in the Monitoring Well Installation Report, as prepared by KJ and dated December 26, 2013. Specifics on the persons responsible and protocol for sampling will be provided within the first required Self-Monitoring Program report once a final decision has been made on whom will be assigned or contracted this responsibility.

9. ▪ Finding 30 on page 16 of 29 and order provision 5 on page 23 of 29 requires the wastewater systems to be operated and maintained by certified wastewater treatment plant operators or other similarly qualified and licensed persons. TWG requests the removal of a requirement to have the system operated and maintained by certified or licensed persons. Systems will be maintained by Facility personnel who are knowledgeable and experienced in the system operations with support from outside contractors as necessary.

10. ▪ Finding 32 on page 17 of 29 and 18 of 29 states that disposal of solid waste including spreading of wine processing solids on the Discharge's property, is not authorized by this Order. To ensure that common beneficial reuse of winery process

10. (CONTINUED) solids is not prohibited under the Order, TWG provides the following suggested language for the last sentence of finding 32:

- *"Disposal of solid waste under this order shall be conducted at or through outside facilities maintaining an active WDR and/or though beneficial reuse at locations and by entities not operating under a WDR as approved by the Executive Officer, allowing for the maximum benefit and reuse of process wastes."*

11. ▪ As previously stated, due to many estimates of discharge quantity and quality having been understated being based upon published values and best industry practice estimates, the TWDR provides within the Discharge Specifications on page 21 of 29, limitations which are not reasonable or achievable by the Facility. Due to the minimal size of existing discharge monitoring data to date, it is suggested that the TWDR include a time schedule in the Order to allow the Facility to assess the feasibility of the final published discharge limitations and if necessary adjust either the wastewater systems and/or the permit limitations, under the approval of the Executive Officer, prior to issuing findings of non-compliance and enforcement actions. Specific limitations and suggested appropriate modifications are provided below:

12. - Specification 4 – Flows – Winery Process Wastewater: Based upon flow data as observed throughout 2013, it is recommended that the winery process
a. wastewater flows be increased to a maximum peak daily flow of 10,000 gallons
— to allow for uncontrollable variation in grape harvest timing and an annual
b. average daily flow of 4,950 based upon observed water flows from current
— operations. Additionally, it is suggested to consider removing the monitoring and
c. compliance requirement for the separated winery process wastewater flow, and instead set permit limitations on the combined winery wastewater flow. Suggested flows for this change would be a maximum daily flow of 30,000 gallons and an annual average daily flow of 14,785 gallons a day. This change in location of the point of compliance flow monitoring would allow for a more representative monitoring of wastewater actually being discharged and coincide more consistently with both the existing and suggested water quality limitations and sampling efforts.

13. - Specification 5 – Discharge Effluent Limits – Sanitary Wastewater: Based upon available data from the systems in their current operation status, it is
a. recommended that the BOD limitation be increased to 300 mg/L and TSS be
— increased to 300 mg/L. While there is an assumption that the current systems
b. will decrease the concentrations of both of these constituents, neither are designed or intended to meet secondary treatment performance standards and therefore are heavily dependent on incoming flows, which can be highly variable on a day to day basis. It is also recommended that the performance standard for
— TN be based solely on a 50% reduction in TN and not limited to a numerical
c. concentration in the system effluent as again, performance is based highly on a

13. (CONTINUED) d. varied influent stream. TWG also requests that this compliance of 50% reduction be based upon an average of the twice monthly required domestic wastewater system effluent nitrogen samples.

14. - Specification 6 – Discharge Effluent Limits – Winery Wastewater System: Due to the potential high diversity in the quality of wastewater flow in and out of the harvest and crush period within winery operations (including both the handling and processing of grapes as well as the period of time encompassing the fermentation and the completion of the wine making process in the months after grape crushing), it is recommended that the winery wastewater system limitations be separated into sets of limits that apply to the time during crush, and the time outside of crush. The suggested timeframe for this change in effluent limitations would define crush as the first day of receipt of grapes or August 1st, whichever occurs first, through December 31st. Based upon available effluent analytical data, below are recommended effluent limitations for each time frame as collected after the winery process and bottling waste streams have comingled:

    - Non-crush months:
        - BOD – 300 mg/L
        - TSS – 300 mg/L
        - TN – 40 mg/L
    - Crush months (as a monthly average of two bi-monthly sampling events):
        - BOD – 3000 mg/L
        - TSS – 300 mg/L
        - TN – 40 mg/L

15. ▪ Discharge Specification 7, as written on page 22 of 29, should be reworded to allow for a time period to return to compliance upon the discovery of a non-compliance condition without halting all discharge as this has the potential to cause complete closure of operations and potential excessive and unnecessarily costly diversion or loss of grapes and juice during the crush season. The varied nature of the grape harvest (grapes coming to ripeness and needing processing) has the potential to create conditions where unforeseen peaks in processing and wastewater discharge could occur. Requiring the Facility to halt all discharges could cause the facility to be forced to lose unprocessed fruit or juice and/or reroute fruit, juice, or wine (from the bottling operations) due to the extremely short timeframe that an immediate halt of discharge would create.

16. ▪ To reduce the administrative burden, and allow for adequate and proper time to prepare all requested information, TWG requests that the information required under Provision 3 on page 23 of 29, Provision 6 on page 24 of 29, and under Wastewater Monitoring requirement 12 as found on page 11 of 18 of the Tentative Self-Monitoring Program (SMP) be combined into a single request for information and given a required due date of 90 days from the date of adoption of the Order.

17. ▪ To allow for adequate time to ensure that responsibility is delegated properly, and that all administrative and mechanical systems are appropriate to meet the requirements of the SMP, TWG requests that the due date of Provision 7 on page 25 of 29, for the implementation of the SMP be extended to 30 days after the adoption of the Order.

18. ▪ To reduce the cost and administrative burden of preparing numerous and discrete submittal documents, TWG requests that the Quarterly Status Reports requested in Provision 9.b. on page 26 of 29 be allowed to be included as project updates and comments on a quarterly basis in the reporting required under the SMP, and not required as a separate submittal.

19. ▪ As previously stated, TWG has a general concern with the nature of the current TWDR expiring in two years with compliance options dependent on external stakeholders. To this point, TWG requests the inclusion of terms that provide for a consultation process between the RWQCB and TWG in the event that efforts to either connect wastewater flow to the City of Livermore municipal wastewater treatment system and/or an alternative action plan resulting in the removal of equivalent loading from surrounding sources are unsuccessful, and thus preventing TWG from being in violation of the TWDR due to unforeseen or uncontrollable factors. TWG would like to offer the following suggested wording for inclusion in Provision 9.c.(2) on page 26 of 29, following the statement of the required due date:

- *"In the event that the Discharger is unable to timely develop an Action Plan that meets all of the goals of this section, then the Discharger shall submit the Action Plan along with a letter explaining the potential shortfalls in the Action Plan and detailing all efforts made to comply with the requirements set forth herein. Within 30 days from receipt of the Action Plan and letter, the RWQCB shall notify the Discharger if the Action Plan, although not meeting all goals of this section but in substantial compliance therewith, is acceptable. If the Action Plan is deemed unacceptable, then the RWQCB and the Discharger shall immediately consult on whether there are acceptable alternative mitigation opportunities. This consultation shall conclude within 60-days' time, at which point the RWQCB will determine whether to require an alternative Action Plan and set the schedule for development and implementation, or direct the Discharger to comply with the original terms of this Order."*

20. ▪ To ensure that an appropriate and thorough investigation may be conducted, TWG requests that the due date of the report requested under Provision 9.e. on page 27 of 29 be extended to one year from the adoption of the Order. This will allow for a proper and comprehensive evaluation of possible modifications to vineyard practices over the course of a full year of agricultural management, growing, and harvesting events.

- Wastewater Monitoring requirement 3.b. on page 10 of 18 of the SMP should be modified to reflect that the sampling of the winery wastewater discharge during crush be conducted twice monthly (as reflected on page 18 of 18) instead of weekly as it currently reads. Additionally, as suggested above, a more appropriate approach for the monitoring of compliance of the winery wastewater discharge should include sampling for compliance from the combined wastewater stream, and has such, this increased frequency should apply to the combined winery wastewater stream and not the separated process wastewater stream.

21.

- To reduce the submittal of numerous and discrete reports, TWG requests that the reporting frequency requested under Monitoring Reports requirement 1.a. on page 13 of 18 of the SMP be modified to require quarterly reports in lieu of monthly reports. This change will not reduce the actual monitoring conducted, and would not remove the need for reporting of conditions of non-compliance as required under Provision 10 of the Order as found on page 27 of 29.

22.

- General comments on Table 1 – Schedule for Monitoring as included on page 18 of 18 of the SMP:

  - As stated previously, TWG requests that the requirement for flow monitoring be reduced to the actual discharge locations, specifically, reducing the need for directly monitoring of flow quantities from the separated winery process and winery bottling wastewater streams.

23.

  - In support of TWGs request to require compliance monitoring on the combined winery wastewater stream, TWG further requests to remove the requirement of composite sampling for the separated winery process and winery bottling wastewater streams.

24.

  - TWG requests clarity and definition on the currently presented differentiation between monthly and quarterly sampling frequencies for the bottling wastewater stream. TWG again requests that the sampling requirements for the winery wastewater be based on a varying non-crush and crush season frequency from the combined winery wastewater stream (monthly during non-crush and twice monthly during crush) instead of a varying frequency for the separated process and bottling wastewater streams.

25.

  - TWG requests clarity and definition on the intent and scope of the required "event" based flow volume monitoring as requested for monitoring stations 11, 12, 13, and 14.

26.

On behalf of TWG and the Facility, I would like to thank the RWQCB for allowing for the submittal of and consideration of the comments included herein. Should the RWQCB require clarification or additional information pertaining to these comments, please contact me at kyle.schmidt@thewinegroup.com / o: (209) 599-0451 / c: (225) 326-3228.

Thank you for your consideration in this matter,

Kyle Schmidt
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ALAMEDA COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, ZONE 7
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June 9, 2014

Blair Allen, Water Resources Control Engineer
California Regional Water Quality Control Board
San Francisco Bay Region
1515 Clay Street, Suite 1400
Oakland, CA 94612

Subject: ***Comments on Tentative Order for Waste Discharge Requirements for: The Wine Group, LLC - Concannon Winery Wastewater Management Systems***

Dear Mr. Allen,

1. Thank you for this opportunity to comment on the May 9, 2014 Tentative Order, Waste Discharge Requirements (WDR) for The Wine Group's (TWG) Concannon Winery Wastewater Management Systems. Zone 7 Water Agency fully supports the approach that the Regional Water Quality Control Board (RWQCB) has taken with the draft WDR to protect groundwater quality in the Livermore-Amador Valley Groundwater Basin.

2. This site is in an impaired portion of the groundwater basin. Levels of nitrate in this area already exceed basin objectives. An adjacent monitoring well is monitored annually and, for the last three years, has exhibited levels between 70 and 74 mg/L compared to a basin objective of 45 mg/L. New nitrate loading in this area could exacerbate the situation. Requiring TWG to continue to aggressively pursue connecting the winery's domestic wastewater system to the City of Livermore's municipal sanitary sewer system within one year of the adoption of the Order and to otherwise fully mitigate the winery's nutrient load within two years seems to be reasonable given levels of nitrates already present in this area.

3. Zone 7 would, however, like to make a couple requests before the WDR is finalized. The first would be to include clarification regarding Zone 7's role in the monitoring of the groundwater monitoring wells as specified in the draft Tentative Self-Monitoring Program (Attachment J) and in Section 28.b ("Groundwater Monitoring Proposed in ROWD") of the findings. The current wording suggests that the two new onsite groundwater monitoring wells, which are *"...to be constructed by the Discharger"* are the responsibility of Zone 7 to monitor (*"...and then monitored by Zone 7 as part of the agency's ongoing area-wide groundwater monitoring program."*). As written, this suggests Zone 7 has the responsibility to monitor these wells for compliance with the WDR. While Zone 7 would like access to these wells and the data produced by any TWG monitoring thereof, the language should be changed to make it clear that it is the Discharger's responsibility to monitor groundwater levels and quality in these wells for the WDR. Including wells or well data in Zone 7's basin-wide groundwater monitoring program allows Zone 7 to use

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3. (CONTINUED) this data in assessing the magnitude and extent of the existing nitrate plume and for general groundwater basin management and compliance but should not be a requirement under the WDR. With that said, Zone 7 plans to share all the monitoring results for these two wells and the two upgradient wells with TWG for their use, as appropriate. Zone 7 will also consider allowing TWG to access Zone 7's two existing groundwater monitoring wells (located upgradient of their facility) as needed for compliance with the issued WDR.

4. The second request is to add the Zone 7 Water Agency to Section VII ("Reports to be Submitted to Other Entities") of the Tentative Self-Monitoring Program and that the text include a requirement for the Discharger to send Zone 7 a copy of the required annual report. Zone 7 prefers an electronic copy of the report, but will accept a paper copy if that is the discharger's preference.

Thank you for considering these comments. If you have any questions regarding Zone 7's comments or would like to discuss further, please do not hesitate to contact me at (925) 454-5000 (or jduerig@zone7water.com) or Matt Katen at (925) 454-5071 (or mkaten@zone7water.com).

Sincerely,

G.F. Duerig
General Manager

cc: Kevin Baskin, The Wine Group, LLC
Ariu Levi, Alameda County Department of Environmental Health
Darren Greenwood, City of Livermore
Kurt Arends
Jarnail Chahal
Matt Katen