

STATE OF CALIFORNIA
REGIONAL WATER QUALITY CONTROL BOARD
SAN FRANCISCO BAY REGION

STAFF SUMMARY REPORT (Blair Allen)
MEETING DATE: July 9, 2014

ITEM: 6

SUBJECT: **The Wine Group, LLC, Concannon Winery, Livermore Valley, Alameda County** – Issuance of Waste Discharge Requirements

CHRONOLOGY: The Board has not considered this item before.

DISCUSSION: The attached Revised Tentative Order (Appendix A) would regulate the treatment and discharge to land (within the property) of all of Concannon Winery's domestic and winery process waste and winery bottling process wastewater from five buildings including wine production, wine bottling operations, storage, administrative offices, tasting room, a Victorian House, a 3-bedroom single-family residence house, and an outdoor picnic area. The Concannon Winery encompasses approximately 257 acres in central Livermore Valley in unincorporated Alameda County. Within the Concannon Winery property, vineyards cover about 245 acres, buildings cover about 3 acres, paved areas for parking and roadways cover about 4 acres, and landscaping covers about 5 acres.

The Concannon Winery is an historic facility dating back to 1883. In 2002, the Wine Group, LLC (Wine Group), a major global wine producer, purchased Concannon Winery. In 2012, the Wine Group submitted a Report of Waste Discharge (ROWD) with supplemental information related to the expansion and upgrade of the wastewater treatment systems at Concannon Winery. The expansion related mainly to the 2012 construction of storage and administrative office buildings and a wine bottling facility constructed in 2007. The bottling facility services primarily bulk-produced wine trucked in from elsewhere but also the limited production from the surrounding Concannon vineyards.

The Revised Tentative Order is an interim measure for moving an existing unpermitted facility toward compliance. The central concern in regard to this Revised Tentative Order is that the Concannon facility sits on top of a localized elevated nitrate groundwater plume in a groundwater basin that provides domestic and municipal water supply. The Revised Tentative Order is intended to move this facility to a net-zero nitrate discharge within two years of its adoption so as to ensure it does not impact local groundwater.

Per the Revised Tentative Order, the Wine Group may accomplish this net-nitrate zero discharge via two options:

- Connecting to the City of Livermore's sanitary sewer system, or
- Implementing "Alternative Compliance", which must reduce the nitrate load, from existing wastewater discharge sources in the vicinity of Concannon Winery in an amount equal to the maximum permitted or highest

documented total nitrate load, whichever is higher, from all of Concannon Winery's wastewater sources combined.

The Revised Tentative Order would also require that the Wine Group investigate the feasibility of:

- Modifying irrigation and fertilization practices at Concannon Winery to reduce nitrate loading to the groundwater, and
- Reusing winery bottling wastewater for irrigation and other uses to reduce nitrogen loading and to afford beneficial use of this valuable resource.

For the two-year interim period, the Revised Tentative Order includes maximum flow rates and effluent limitations for each discharge stream. The maximum flow rates are based on the values provided by the Wine Group in its ROWD. The effluent limitations are based on prior facility performance and industry standards for domestic and winery wastewater.

We received comments from the Zone 7 Water Agency and from the Wine Group (Appendix B) on the tentative order circulated for public comment. Zone 7 was in general agreement with the tentative order but requested some clarifications, which we made. The Wine Group's main comment was a request to modify discharge descriptions and discharge specifications based on new values it submitted in its comment letter. We did not revise the tentative order to incorporate the new values proposed by the Wine Group because we cannot verify if the new values are more or less representative than the values originally submitted in the ROWD. Rather, we recommend that the Wine Group submit an updated ROWD to the Water Board and work through Alameda County's permitting and CEQA process. If appropriate, we would propose an amendment to the WDRs to the Board at a later date. The Wine Group requested some additional minor modifications with which we concur. We have revised the tentative order as described in the Response to Comments document (Appendix C).

RECCOMEN-
DATION:

Adoption of the Revised Tentative Order

CIWQS PLACE ID: 771359

APPENDICES:

- A. Revised Tentative Order
- B. Comments
- C. Response to Comments