The California Regional Water Quality Control Board, Central Valley Region, (hereafter Central Valley Water Board) finds that:

1. Hilmar Cheese Company, Inc. (hereafter Hilmar Cheese), a California corporation, owns and operates a Cheese Processing Plant (Plant) about one-half mile north of the unincorporated community of Hilmar.

2. On 29 January 2010, the Central Valley Water Board adopted Waste Discharge Requirements (WDRs) Order R5-2010-0008 to regulate discharges from the Hilmar Cheese Plant to the “Primary” and “Secondary Lands.” At that time, the Central Valley Water Board acknowledged that Hilmar Cheese would not be able to immediately comply with the effluent limits set forth in the WDRs for electrical conductivity, total dissolved solids, biochemical oxygen demand (BOD), chloride, and total nitrogen. In order to establish a time schedule for Hilmar Cheese to implement improvements that would allow it to achieve compliance with the WDRs, the Central Valley Water Board concurrently adopted Time Schedule Order (TSO) R5-2010-0009.

3. California Code of Regulations, Title 23, section 2200 contains the fee structure applicable to discharges that are regulated under WDRs. Fees are assigned based on their “threat to water quality” (TTWQ) and “complexity” (CPLX). The lower the assigned number or letter, the higher the fee. Applicable TTWQ and CPLX definitions follow:

   **THREAT TO WATER QUALITY**

   Category “1” – Those discharges of waste that could cause the long-term loss of a designated beneficial use of the receiving water. Examples of long-term loss of a beneficial use include the loss of drinking water supply, the closure of an area used for water contact recreation, or the posting of an area used for spawning or growth of aquatic resources, including shellfish and migratory fish.

   Category “2” – Those discharges of waste that could impair the designated beneficial uses of the receiving water, cause short-term violations of water quality objectives, cause secondary drinking water standards to be violated, or cause a nuisance.

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4. Though "TTWQ/CPLX" determinations ultimately lie in the hands of the State Water Board’s Fee Unit, the Central Valley Water Board makes findings with respect to a discharge’s threat and complexity to assist the State Water Board in making these determinations. Finding 74 of WDRs Order R5-2010-0008 states that the Central Valley Water Board considers the threat and complexity of Hilmar Cheese’s discharge to fall under the 1-A category, due to the fact that discharges of high-strength, partially-treated wastewater to the Primary Lands had caused, and could continue to cause, groundwater degradation and/or pollution with respect to salts, iron, and manganese. The annual fee that Hilmar Cheese currently pays under the 1-A category is $72,565 plus a 9.5% surcharge ($6,894), resulting in a total fee of $79,459 per year.

5. By letter dated 16 January 2013, Hilmar Cheese has requested that the TTWQ be changed from a “1” to a “2.” Hilmar Cheese has made this request because it has implemented extensive treatment that now allows the Plant’s effluent to be reused to irrigate local crops, and because the high-strength, partially-treated wastewater is no longer discharged to the Primary Lands. The letter states that the Plant’s effluent quality generally meets or exceeds the quality of the underlying groundwater, and therefore the discharge no longer poses a threat to the designated beneficial uses of the underlying groundwater.

6. Central Valley Water Board rescinded TSO R5-2010-0009 on 30 March 2012 because Hilmar Cheese is now implementing extensive treatment to reduce the BOD and salinity in its discharge. Self-monitoring reports indicate that the effluent complies with the limits in WDRs Order R5-2010-0008. Legacy groundwater issues at the Primary Lands continue to be addressed through Cleanup and Abatement Order 2004-0722.

7. Given the information described in Findings 5 and 6, it is unlikely that the current discharge authorized by WDRs Order R5-2010-0008 will cause the long-term loss of a designated beneficial use of groundwater. Therefore, it is appropriate to reclassify the TTWQ for the discharge to a “2.” The resulting current annual fee would be $16,518 plus 9.5% surcharge ($1,569) for a total fee of $18,087 per year.
IT IS HEREBY ORDERED, that Finding 74 of Waste Discharge Requirements Order R5-2010-0008 is amended to read as follows:

74. Based on the threat to water quality and complexity of the discharge, the facility is determined to be classified as 2-A. Section 2200 of Title 23, CCR, defines these categories to include any of the following:

   a. Category 2 threat to water quality: “Those discharges of waste that could impair the designated beneficial uses of the receiving water, cause short-term violations of water quality objectives, cause secondary drinking water standards to be violated, or cause a nuisance.

   b. Category A complexity: “Any discharge of toxic wastes; any small volume discharge containing toxic waste; any facility having numerous discharge points and groundwater monitoring; or any Class 1 waste management unit.”

Any person aggrieved by this action may petition the State Water Board to review the action in accordance with Water Code section 13320 and California Code of Regulations, Title 23, sections 2050 and following. The State Water Board must receive the petition by 5:00 p.m., 30 days after the date of this Order, 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 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 at:

http://www.waterboards.ca.gov/public_notices/petitions/water_quality

or will be provided upon request.

I, PAMELA C. CREEDON, Executive Officer, do hereby certify the foregoing is a full, true, and correct copy of an Order adopted by the California Regional Water Quality Control Board, Central Valley Region, on 12 April 2013.

Original signed by:

PAMELA C. CREEDON, Executive Officer