

ITEM: 27

SUBJECT: O'Neill Beverages Company, LLC, Reedley Winery,  
Fresno County

BOARD ACTION: *Consideration of Waste Discharge Requirements (revised) and Cease and Desist Order*

BACKGROUND: In 2004, O'Neill Beverages Company, LLC (O'Neill) purchased an existing Winery near Reedley. The Winery has been in operation at this location since prior to the 1950s. Waste Discharge Requirements (WDR) Order 95-014 authorizes the discharge of winery and stillage waste to 36.8 acres of adjacent farmland. Over the years, the Winery has increased its operations and expanded the land application area to 106 acres. O'Neill submitted Reports of Waste Discharge (RWD) in 2006 and 2007, but later withdrew them. A new RWD was submitted in December 2011 to address further expansion of the Winery operations and land application areas. According to O'Neill, the land application area will be expanded to 156 acres, and an additional 189 acres could potentially be added in the future, if needed. The Winery operates year round. Wastewater consists primarily of stillage waste, tank wash water, cooling water, boiler blowdown, and general wash water. Stillage is combined with tank wash and general wash water prior to discharge. The wastewater is high in biochemical oxygen demand (BOD), nitrogen, and salts, particularly potassium, during the crush and stillage season which runs from mid-August through November. The Winery segregates its high salinity waste streams (e.g., boiler blow down) and discharges them to an on-site Title 27 Class II surface impoundment regulated under separate WDRs.

Past Winery discharges have polluted groundwater beneath the land application areas with electrical conductivity (EC), total dissolved solids (TDS), nitrate as nitrogen, iron, and manganese. In addition, the discharges have also degraded groundwater with potassium, bicarbonate, and ammonia. These impacts are greatest under the older disposal areas.

The proposed WDRs limit the discharge to 80 million gallons annually and set a monthly average flow limit of 0.61 million gallons per day (mgd). They also set BOD loading limits, and require nutrient loading, including nitrogen and potassium, to be at reasonable agronomic rates. The WDRs also include a provision requiring submittal of a Nutrient and Wastewater Management Plan.

O'Neill will not be able to immediately comply with the proposed limits in the WDRs. Therefore, the WDRs are accompanied by a Cease and Desist Order (CDO) that puts O'Neill on a compliance schedule to implement necessary improvements within four years to comply with the effluent BOD loading limits and the requirement to apply wastewater constituents at reasonable agronomic rates. The CDO also requires O'Neill to assess the horizontal and vertical extent of groundwater degradation/pollution caused by past discharges and to show satisfactory progress toward meeting water quality objectives or to propose additional measures to comply with water quality objectives.

ISSUES: Comments were received from Kennedy/Jenks Consultants on behalf of O'Neill and Ms. Jo Anne Kipps (a private citizen). Revisions were made to the tentative WDRs and draft CDO to address some of these comments.

Full responses to the comments are included in the Response to Comments in the agenda package. A short summary of the issues and staff's responses follow:

1. O'Neill requests that the BOD loading limit be increased to 300 lbs/acre/day. Staff does not believe there is enough site-specific information to demonstrate that a BOD loading limit of 300 lbs/acre/day would be protective of underlying groundwater. The WDRs have been modified to increase the BOD loading limit to 150 lbs/acre/day on the land application areas outside of the original 36.8 acre land application area identified in the Order 95-014. The WDRs also include a 100 lbs/acre/day limit for the older disposal areas. Additionally, soil and vadose zone monitoring have been required to ensure that these loading rates are protective. The CDO requires O'Neill to complete a performance evaluation demonstrating that its modified discharges are protective of underlying groundwater. Following this evaluation the Order may be reopened to adjust BOD loading rates if required.
2. Ms. Kipps requests that the discharge of wastewater to the long-used 36.8 acre application area identified in Order 95-014 be prohibited due to the existing groundwater degradation/pollution and a lack of treatment capacity in the soil profile. Staff believes that groundwater degradation and pollution underlying this area is due to past discharge practices. The tentative WDRs establish reduced loading rates and increased monitoring of the discharge and land application areas, including soil and vadose zone monitoring. The accompanying CDO establishes a compliance schedule that requires O'Neill to show satisfactory progress toward meeting groundwater quality objectives.
3. Ms. Kipps states that the WDRs should only authorize the increase in discharge flow and expansion to the discharge area only after the O'Neill submits technical documentation demonstrating it has implemented corrective measures to prevent exacerbation of existing pollution. Due to the 80 million gallon per year cap proposed by O'Neill, the maximum volume that can be discharged under the proposed WDRs, is lower than authorized by Order 95-014. Spreading that volume over a larger land area is expected to minimize groundwater degradation.
4. Ms. Kipps asks staff to justify how the O'Neill's existing wastewater screening treatment reflects implementation of BPTC when Google Earth Images of the screening area shows what appears to be excessive spillage of waste constituents. Staff was unable to corroborate Ms. Kipps claims in this regard.

RECOMMENDATION: Staff recommends that the Board adopt the proposed Waste Discharge Requirements and Cease and Desist Order.

Mgmt. Review \_\_\_\_\_

Legal Review PEP

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11020 Sun Center Dr. #200

Rancho Cordova, CA 95670