

This Buff Sheet was prepared by and submitted on behalf of the Prosecution Team.

ITEM: 10

SUBJECT: Valley Water Management Company (Valley Water), Race Track Hill Facility and Fee 34 Facility, Edison Oil Field, Kern County

BOARD ACTION: *Consideration of Cease and Desist Order No. R5-2015-XXXX*

BACKGROUND: Valley Water Management Company (Valley Water) owns and operates two oil well production wastewater disposal facilities under the names of "Fee 34 Facility" and "Race Track Hill Facility" in the Edison area of Kern County. Each facility has been issued an individual order for operation. However, since the two facilities are parts of a single wastewater processing and disposal operation, they are jointly addressed in the proposed cease and desist order (CDO) as a single wastewater processing facility. Valley Water's wastewater disposal facilities are located in the Sierra Nevada foothills east of the community of Edison. Generally, groundwater in the region flows westward from these facilities towards Edison and Bakersfield.

Wastewater is transported to the Fee 34 Facility by pipeline from various small, independent oil company leases throughout the Edison Oil Field. The wastewater flows through three gunite-lined impoundments equipped with skimmers and is then pumped via pipeline to Valley Water's Race Track Hill Facility for disposal.

The Race Track Hill Facility contains 27 unlined surface impoundments on approximately 94 acres of land. The wastewater is discharged to the impoundments for percolation and evaporation. Excess wastewater that does not percolate or evaporate is sprayed onto portions of the 94 acres for disposal. The wastewater has electrical conductivity of 4,630 to 8,775 micromohs per centimeter ($\mu\text{mohs/cm}$); chloride concentrations of 1,370 to 2,709 milligrams per liter (mg/l); and boron concentrations of 2 to 20 mg/l. Analysis of groundwater samples from beneath the Race Track Hill Facility has shown the following results: electrical conductivity of 624 to 8,690 $\mu\text{mohs/cm}$, chloride concentrations of 26 to 2,900 mg/l, and boron concentrations of 0.07 to 16 mg/l.

The discharge from the Race Track Hill Facility has resulted in groundwater pollution and is in violation of the Waste Discharge Requirements Resolution 58-349 (WDRs), the Basin Plan, and other regulatory documents. Also, the accumulated salts discharged to the spray field from the past 50-60 years could potentially be flushed into Cottonwood Creek, which is about one-half mile away. This has the potential to result in a temporary salt and boron loading of water in the Kern River.

The CDO would require Valley Water to immediately cease spray field wastewater discharges, fully characterize the nature and extent of the waste constituents in groundwater at each facility, and work with Regional Board staff to revise its WDRs to come into compliance with current environmental standards and water quality objectives.

ISSUES:

1. The Prosecution Team argues that a CDO is necessary to address the pollution caused by Valley Water wastewater discharges, in particular its spray fields. Valley Water is alleging that no pollution has occurred and that complying with the CDO will put it out of business. Valley Water would prefer an Order pursuant to Water Code 13267.
2. Valley Water argues that it could obtain a Basin Plan amendment that would allow it to continue discharging its wastewater in concentrations that greatly exceed Basin Plan limits. The Prosecution Team counters that no existing beneficial uses, in this case MUN and AGR, can be de-designated.
3. Valley Water argues that it could qualify for various exceptions to discharge in excess of salinity limits. In making this argument, Valley Water would bear the burden of demonstrating that its discharges will not substantially affect water quality nor cause a violation of water quality objectives. Valley Water cannot meet this burden.
4. Valley Water makes a number of evidentiary objections regarding the lack of citations to evidence that was submitted with the Prosecution Team's initial submission. The exhibits were submitted in a timely manner and a witness was designated to testify about such documents and the effect of Valley Water's discharges on groundwater.
5. A number of public comments were received regarding this matter. Many of the comments expressed concerns regarding the ability of Valley Water to continue to conduct its business, and the possible impacts to the its clients and the local economy, if the CDO is adopted. The CDO requires Valley Water to cease discharge to its spray field disposal operation, but it does not require the shutdown of the facility. The CDO allows Valley Water Management Company to continue to discharge to its ponds while it investigates the extent of groundwater impacts caused by its discharges and while it makes plans to modify the facility or facility operations so discharges can comply with appropriate waste discharge requirements.

RECOMMENDATION Adopt the proposed Cease and Desist Order as written against Valley Water Management Company.

Mgmt. Review CLR
Legal Review JEM