

Comments Regarding

the

California Regional Water Quality Control Board Central Valley Region

DRAFT Order R5-2017-0000

Waste Discharge Requirements General Order

for

Confined Bovine Feeding Operations

on behalf of the

California Cattlemen's Association

by

AGPROfessionals

April 3, 2017

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AGPROfessionals has reviewed the above referenced draft of the proposed Order for Bovine Feeding Operations on behalf of the California Cattlemen's Association (CCA) and provides the following comments:

1. Notice of Intent (NOI) content
 - CCA 1 a. Regarding determination of the maximum number of animals for the NOI, page 5, paragraph 3, outlines "*the maximum number of bovine animals housed at the facility in a single month period that occurred in the three years immediately prior to issuance of the tentative Order.*" There is still concern that due to market conditions and drought, etc., that any given month in the previous three-year period might not provide an accurate existing capacity of a bovine facility. Should market conditions recover, a facility could be considered "*expanded*" when no facility changes occurred. We recommend an alternative for the owner operator to use either the maximum month in the preceding three-year period OR the current maximum design capacity of the facility. The maximum design capacity of the facility is limited by either pen space and/or feed bunk space and the industry standards for design capacity are widely understood.
2. Notice of Intent (NOI) timing
 - CCA 2 a. Our previous comments regarding the timing for submittal of the NOI would be adequate assuming the NOI is a simple notification document and should not include any information that requires consultation with an engineer and traditionally is included with the NMP or WMP. There continues to be information that would require research and engineering beyond what a regulated producer could provide un-assisted. The NOI should be, as indicated, merely a "*notice*" of ownership and contact information, type, size and location information and acknowledgement of the "*intent*" to comply with future requirements.
3. Pond structures and costs: It appears that previous comments regarding pond liner design standard that is pre-approved in Tier I, and alternative standards that are allowed for site-specific conditions in Tier II and Pre-Approved Tier II were incorporated. We appreciate the inclusion of both Tier II options but are left without specific direction as to what standards apply or what is required of the industry? The language for both Tier II pond-types does not provide certainty and, therefore, it is difficult to conduct a financial analysis of these options as compared to Tier I. While the language of both Tier II options being vague leaves many alternatives in compliance creativity, we are concerned that the documentation, engineering and burden of proof may be so onerous, that *de facto* only leaves the Tier I option. This is likely to be a most expensive option.
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4. We request, as required, the regulating authority conduct an additional and complete economic analysis of both the compliance AND capital costs of the regulated community to comply. Currently, costs considered continue to be the compliance costs of documentation and reporting. Costs of capital improvements to facilities can be estimated and are significant; much more than the mere costs of documentation and reporting. An example spreadsheet, "Feedyard Stormwater Containment & Facility Engineering is attached. The estimates are for a single 60-mil lined Stormwater containment for facilities ranging from 300 to 100,000 head of cattle. Estimates range from \$96 per head costs for a 300-head feedyard, to \$26 per head for a
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100,000 head feedyard. These ranges represent a nearly \$30,000 investment for the smallest example to over \$2.5 million for a 100,000 head Feedyard; or 25% to over 60% capital investment as a percentage of the Feedyard value. These ranges are significant and likely fatal to many businesses. These costs are admittedly unaccounted in the proposed draft Order. A complete economic analysis is not so difficult as to ignore completely; the costs and subsequent effects are significant.

a. The regulations and Information Sheet state (IS-12) :

i. "Costs of implementing the Operations and Maintenance plan are not included."

ii. "Costs for the construction of a wastewater retention pond, improvements to the facility to provide flood protection, and the construction of a facility-specific groundwater monitoring network have not been included in Table 1 as the need for these tasks and the associated costs are dependent on site-specific conditions."

5. The difficulty in assessing these costs does not alleviate the requirement and obligation that these costs be assessed in a full and complete economic evaluation. The proposed draft regulations acknowledge these costs exist but are not included. Economic evaluation requirements of the impact of the proposed regulation does not grant ignoring the most cost-intensive impact of the regulations because they are difficult. A more thorough and complete economic evaluation of the impact of the proposed regulations must be conducted, as required, to include projected capital needs and infrastructure costs of the regulated community as submitted for public review prior to adoption of the Order.

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6. The California Cattlemens' Association believes that a representative monitoring program to be of significant importance. Participation, for example, in the current Dairy Representative Monitoring Program in order to collect information, defray costs, and aid compliance, would reduce the impact, accelerate adoption and implementation of the Order for both the regulated industry and the regulators.

California Feedyard Stormwater Containment & Facility Engineering Example
Capital Construction Input Example

25 Yr. 24 hr. Precip. " 3.75 Avg. UC Davis Valley N to S
 Runoff Yield % 80%
 Months Storage 3
 Avg. Design Depth (FT) 6
 Area Avg. S.F. / Hd. 200
 \$ / Yd. General Earthwork \$2
 \$ / Yd. Clay Liner \$4
 \$ / Yd. 60 mil. HDPE \$2 (Used Synthetic \$)
 Monitoring Well \$ \$4,000

| Feedyard Capacity | Acreage | Runoff Volume (cy) | Survey \$ (1/2 Engineering) | Engineering \$ | # Wells | Monitoring Well Install | General Earthwork \$ | Clay Liner \$ (Not Used) | 60 mil. Liner \$ | Total | \$/hd. | Estimated Feedyard Value (\$/hd.) | Compliance Capital Investment % of property value |
|-------------------|---------|--------------------|-----------------------------|----------------|---------|-------------------------|----------------------|--------------------------|------------------|----------------|---------|-----------------------------------|---|
| | | | | | | | | | | | | | |
| 300 | 2 | 694 | 2,500 | 5,000 | 1,665 | \$12,000 | \$1,388.60 | \$12,497.42 | \$6,248.71 | \$28,802.31 | \$96.01 | \$150 | 64% |
| 500 | 3 | 1,157 | 2,500 | 5,000 | 1,665 | \$12,000 | \$2,314.34 | \$20,829.03 | \$10,414.51 | \$33,893.85 | \$67.79 | \$150 | 45% |
| 1,000 | 6 | 2,314 | 3,500 | 7,000 | 2,331 | \$12,000 | \$4,628.67 | \$41,658.06 | \$20,829.03 | \$50,288.70 | \$50.29 | \$150 | 34% |
| 2,500 | 14 | 5,786 | 3,500 | 7,000 | 2,331 | \$12,000 | \$11,571.68 | \$104,145.14 | \$52,072.57 | \$88,475.26 | \$35.39 | \$150 | 24% |
| 5,000 | 29 | 11,572 | 4,000 | 8,000 | 2,664 | \$16,000 | \$23,143.37 | \$208,290.29 | \$104,145.14 | \$157,952.51 | \$31.59 | \$125 | 25% |
| 7,500 | 43 | 17,358 | 4,500 | 9,000 | 2,997 | \$16,000 | \$34,715.05 | \$312,435.43 | \$156,217.72 | \$223,429.77 | \$29.79 | \$125 | 24% |
| 10,000 | 57 | 23,143 | 6,000 | 12,000 | 3,996 | \$16,000 | \$46,286.73 | \$416,580.58 | \$208,290.29 | \$292,573.02 | \$29.26 | \$125 | 23% |
| 15,000 | 86 | 34,715 | 7,000 | 14,000 | 4,662 | \$16,000 | \$69,430.10 | \$624,870.87 | \$312,435.43 | \$423,527.53 | \$28.24 | \$125 | 23% |
| 20,000 | 115 | 46,287 | 9,000 | 18,000 | 5,994 | \$20,000 | \$92,573.46 | \$833,161.16 | \$416,580.58 | \$562,148.04 | \$28.11 | \$110 | 26% |
| 30,000 | 172 | 69,430 | 11,000 | 22,000 | 7,326 | \$20,000 | \$138,860.19 | \$1,249,741.74 | \$624,870.87 | \$824,057.06 | \$27.47 | \$110 | 25% |
| 40,000 | 230 | 92,573 | 13,000 | 26,000 | 8,658 | \$20,000 | \$185,146.92 | \$1,666,322.31 | \$833,161.16 | \$1,085,966.08 | \$27.15 | \$110 | 25% |
| 50,000 | 287 | 115,717 | 15,000 | 30,000 | 9,990 | \$20,000 | \$231,433.65 | \$2,082,902.89 | \$1,041,451.45 | \$1,347,875.10 | \$26.96 | \$100 | 27% |
| 75,000 | 430 | 173,575 | 18,000 | 36,000 | 11,988 | \$24,000 | \$347,150.48 | \$3,124,354.34 | \$1,562,177.17 | \$1,999,315.65 | \$26.66 | \$100 | 27% |
| 100,000 | 574 | 231,434 | 20,000 | 40,000 | 13,320 | \$24,000 | \$462,867.31 | \$4,165,805.79 | \$2,082,902.89 | \$2,643,090.20 | \$26.43 | \$100 | 26% |