

November 13, 2015

Keith Wallace
California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
PO Box 942836
Sacramento, CA 95814

SUBJECT: Comments on the 2015 Proposition 84 Implementation Grant Application
 of the Upper Santa Clara River IRWM Region

Dear Mr. Wallace:

Thank you for the opportunity to comment on the 2015 Proposition 84 Implementation Grant Program score and evaluation for the Upper Santa Clara River Integrated Regional Water Management (IRWM) Region. We appreciate the time and effort that went into the preliminary evaluation and scoring of the submittals and also the consideration of our comments for re-evaluation with regard to the specific issues identified below.

Our application for this 2015 Implementation Grant solicitation included a request for nearly \$16 million for three important regional water resource and water quality projects: Castaic Lake Water Agency's (CLWA's) Residential and Commercial Turf Removal Programs; Newhall County Water District's (NCWD's) Santa Clara River Trunk Sewer Line Project Phase II; and the Santa Clarita Valley Sanitation District's (SCVSD's) Valencia Water Reclamation Plant Advanced Water Treatment Facilities.

Comments pertaining to the evaluation and scoring of the programmatic and project specific evaluations are provided. Comments on the NCWD Trunk Sewer Line Project and the SCVSD's Advanced Treatment Project are specifically noted.

Thank you again for the opportunity to comment. If you require additional information, please contact, Dirk Marks, Water Resources Manager, Castaic Lake Water Agency at (661) 297-1600.

Sincerely,

Lauren Everett, Kennedy/Jenks Consultants on behalf of the Castaic Lake Water Agency, the Grantee and the Local Project Sponsors, Newhall County Water District and the Santa Clarita Valley Sanitation District

SPECIFIC COMMENTS

Question 8. Units of Primary and Secondary Benefits

SCVSD - The project would result in up to 2.6 million gallons per day (MGD) or 2,910 acre-feet per year (AFY) of reverse osmosis permeate being available during non-drought years. [1 MGD=1,120 afy]

Question 9. Technical Analysis of Claimed Physical Benefits

NCWD - Although the application did not identify the "specific wells" which would be at risk during a raw sewage release, on page 2-17 of the application states: "Groundwater wells near the Santa Clara River produce 3,650 AF of drinking water each year. The Santa Clarita Water Division (SCWD), which uses the nearby groundwater wells, would not pump groundwater wells for three months after a sewer line break." SCWD owns and operates five (5) production wells all within a distance of 2,500 feet or less downstream of the sewer relocation project. Two (2) of these wells are less than 600 feet downstream of the project. These are the wells which produce up to 3,650 AF of groundwater per year and are at risk of a raw sewage release. A figure is provided to show the actual location.

SCVSD - It is the Sanitation District's understanding that the one area that DWR feels did not have a sufficient technical analysis to support the claimed physical benefits is the secondary water supply benefit based on the new advanced treated recycled water supply that would be available for use. The concern was the lack of a distribution system or specific defined end use for the recycled water. We are currently involved in a planning process led by the Castaic Lake Water Agency to update their Recycled Water Master Plan for the Santa Clarita Valley. In this process, potential uses of the advanced treated recycled water are being analyzed and the infrastructure that will be necessary to put it to beneficial use will be identified (see Attachment 2, p. 2-34, Section 1). Because advanced treated recycled water is a precious commodity that has high value from a water resource perspective, particularly to offset the impacts of California's cyclic droughts, it seems highly likely that a local water agency will pursue a beneficial use for this recycled water. Moreover, in the Implementation Round 2 IRWM Solicitation, DWR allowed a secondary water supply benefit to be counted in a similar circumstance. Namely, the San Jose Creek Water Reclamation Plant Process Optimization Project will increase the quantity of recycled water available by 8,400 AFY of tertiary treated recycled water through modifications to the treatment process, and DWR allowed the water supply benefit to be counted, although specific users for the new recycled water supply had not yet been identified, nor was the distribution system to be used for delivery identified. That project was awarded \$3 million as part of a grant award to the Greater Los Angeles County IRWM group. (See DWR Grant Agreement with the Los Angeles County Flood Control District No. 4600010583, p. 31)

Question 10. Adverse Impacts of the Project

SCVSD - At the time of the grant application, alternative means of brine disposal were being analyzed by the Sanitation District, in preparation for release of a Supplemental Environmental Impact Report (SEIR) in Fall 2015 (see description on Attachment 2, p. 2-39). The EIR certified in 2013 disclosed impacts related to multiple methods of brine disposal including a long pipeline, deep well injection and trucking. The Sanitation

District is now pursuing a modified version of the trucking option that involves 1/10th the amount of trucks and no significant impacts. A supplemental EIR describing the modified trucking option will be released for public review on November 17, 2015.

Question 11. Long-Term Drought Preparedness

NCWD – With regard to how the project would provide for protection of groundwater resources and aid in long-term drought preparedness, response to question 9 would apply. (See attached PDF for actual location)

SCVSD - It is the Sanitation District's understanding that DWR felt the application did not have a sufficient basis to support the claim that the project will help address long-term droughts, and that the specific concern was the lack of a distribution system or specific defined end use for the advanced treated recycled water. The Sanitation District is currently involved in a planning process led by the Castaic Lake Water Agency to update their Recycled Water Master Plan for the Santa Clarita Valley. In this process, potential uses of the advanced treated recycled water are being analyzed and the infrastructure that will be necessary to put it to beneficial use will be identified (see Attachment 2, p. 2-34, Section 1). Because advanced treated recycled water is a precious commodity that has high value from a water resource perspective, it seems highly likely that a local water agency will pursue a beneficial use for this recycled water. It is well-known that recycled water is a "drought-proof" reliable local water supply that does help local areas prepare for long-term recurrent droughts. (See, Attachment 2, p. 2-34, Section 1, and also, State Water Resources Control Board, "Recycled Water Policy" (Preamble), 2009) As noted on p. 2-35 of Attachment 2 of the application, one likely option is that the recycled water produced from this project will be recharged into groundwater basins during non-drought years for use during drought years, when imported water supplies may be restricted. It should also be noted that further analysis indicates that the supply of recycled water from this project is likely to be greater than identified in the grant application, thus enhancing the value of the project from the perspective of this secondary benefit. This is because the reduction in the amount of flow to be discharged would reduce the amount of permeate needed for compliance, and this reduction was not calculated for the grant application. Therefore, it is likely that some permeate will be available in drought years, as well as in non-drought years, for water recycling and that the quantity of permeate produced for recycling in non-drought years would be higher than stated in the application.

Question 13. Project Performance Monitoring Plan

NCWD - The monitoring plan to track the progress of the project is directly related to the amount of sewer main line removed from the river. As sewer main is removed, the risk to local groundwater supply is reduced. At the completion of the project, no sewer main will be in the river, the risk of a raw sewage release from the sewer main in the river is removed, and the risk to local groundwater wells is also removed. By tracking the amount of sewer main being removed is the monitoring plan proposed for this project.

Question 14. Least Cost Alternative

SCVSD - In the soon-to-be-released SEIR, the Sanitation District's cost analysis shows that the capital costs are nearly the same as the original Alternative 2 but O&M and equivalent

annual costs are expected to be higher (see Attachment 2, p. 2-39). However, several other factors have changed since the 2013 analysis was done, which have made the brine disposal options in Alternatives 1 and 2 of the original FEIR infeasible. Thus, the proposed brine management alternative is still the least cost viable alternative.

Question 21. Construction/Implementation Start by April 1, 2016

NCWD - The schedule for the Trunk Sewer Line incorrectly depicts an award of the contract and notice to proceed for the first Phase (A) of the project as 5/1/2016; whereas it should have stated 3/1/2016. The schedule correctly notes a public bid package date of 3/1/2016, and construction starting 4/1/2016. This was an oversight in the application.

Question 22. Project Completion by October 31, 2019

SCVSD - The Sanitation District would like to clarify that project construction and implementation is scheduled for completion on July 1, 2019, as stated on Attachment 5, p. 5-3 and presented as Task 12 in the proposed project schedule. It is the Sanitation District's understanding that DWR considers July 1, 2020 for Notice of Completion as the project completion date. The Notice of Completion is a document that confirms that all contractual requirements for project construction have been satisfied and deemed acceptable by the Sanitation District's Chief Engineer. July 1, 2020 is the anticipated date that this document would be recorded with the County of Los Angeles, which is reasonable for a project of this magnitude. The Sanitation District considers the Notice of Completion as an administrative activity, similar to submittal of the Post Performance Reports, and is not indicative of the physical activities associated with completion of construction and start-up of operation of the project. Furthermore, July 1, 2019 is the TMDL compliance deadline that the Sanitation District must meet for operation of the completed chloride compliance project (see Attachment 2, pp 2-28 and 2-36).

Question 23. Proposal Schedule

SCVSD - The Sanitation District provided a schedule for design and construction of this project that is consistent with schedule requirements contained in the 2008 Upper Santa Clara River Chloride Total Maximum Daily Load (which was updated in October 2014 by the Los Angeles Regional Water Quality Control Board, approved by the State Water Resources Control Board in December 2014, incorporated into the Valencia and Saugus Water Reclamation Plant permits in April 2015, and slightly modified by the Regional Board in September 2015 to reflect the modified method of brine disposal) (see Attachment 2, pp. 2-28 and 2-36). Because many of the schedule elements are also enforceable milestones contained in the TMDL and in the permit for the Valencia and Saugus Water Reclamation Plants, the Sanitation District is highly motivated to meet the strict deadline for this project to be operational as of July 1, 2019 (because we could be subject to substantial fines if this deadline is not met). While the Sanitation District is undertaking additional CEQA review, the revised project is simpler and has a straightforward path to completion in that all construction takes place on the Valencia WRP site and no external approvals are required. The deep well injection required a variety of approvals including an EPA permit, CUP from the County and many rights-of-way for slanted injections going underneath the property of others. The deep well injection also involved a test well phase to validate geologic properties before a second drill rig mobilization to drill the remaining wells. With these elements removed from the

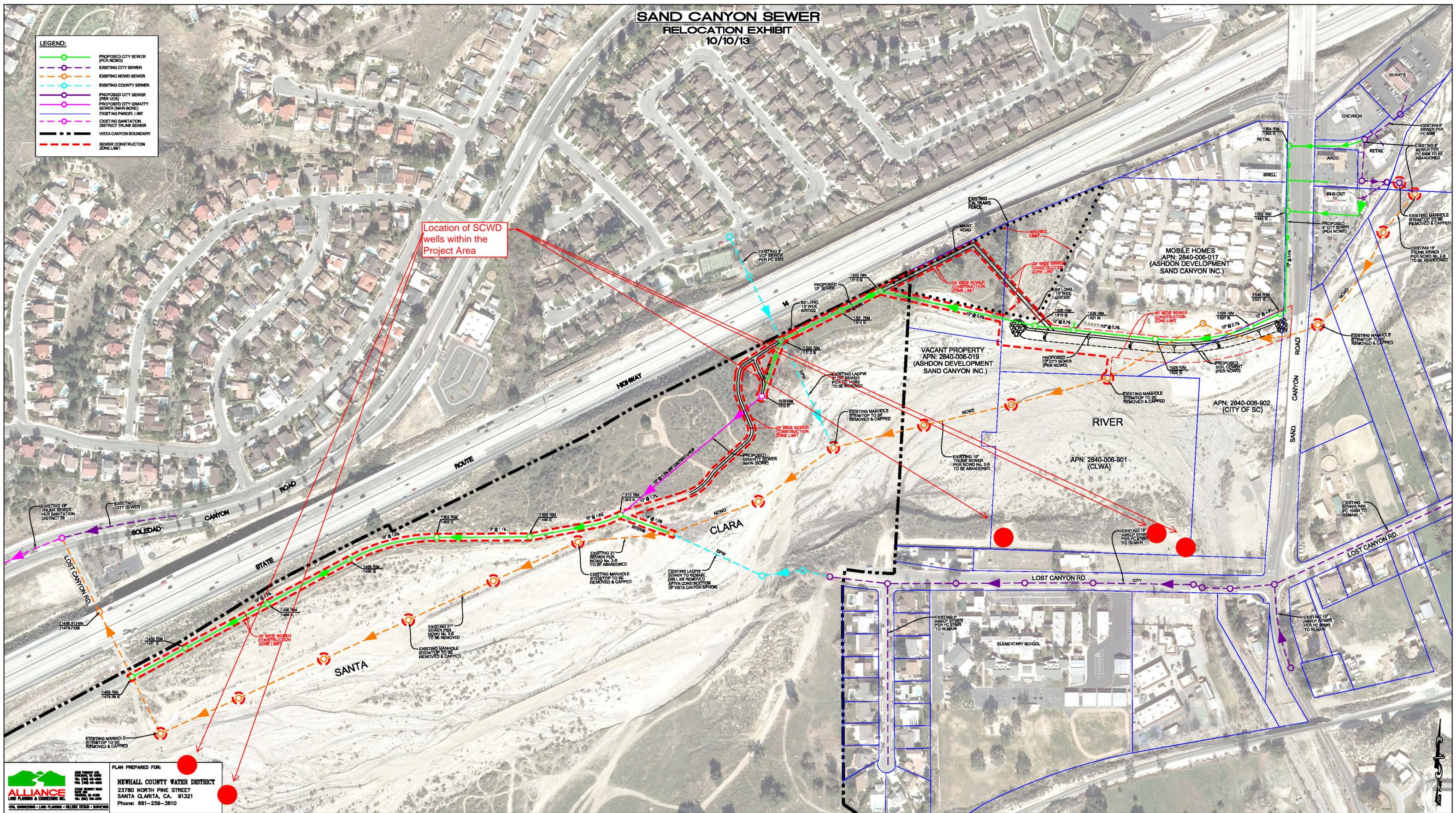
overall project, the Sanitation District is confident that the project schedule that was submitted in the grant application will be met.

As to the issue of pending CEQA litigation affecting the Sanitation District's ability to meet the schedule contained in the grant application, we believe it is inappropriate to negatively score the project due to a pending CEQA challenge. Many of the issues underlying this challenge result from the Sanitation District's adoption of the deep well injection method for brine disposal that the Sanitation District has determined it will not use for this project. The law provides that a certified EIR is to be treated as adequate until such time as a court finds to the contrary, unless the project opponent obtains injunctive relief. No such relief has been sought by the petitioner, and this matter will be tried in February 2016. The Sanitation District believes that the case against it is without merit and that meeting the project schedule provided in Attachment 5 of the grant application is feasible. Please see the attached letter from the Regional Board (September 2015) for further evidence of the enforceable milestones and unchanging July 1, 2019 start date for the project.

SAND CANYON SEWER RELOCATION EXHIBIT 10/10/13

- LEGEND:**
- PROPOSED CITY SEWER (PER NCWD)
 - - - EXISTING CITY SEWER
 - - - EXISTING NCWD SEWER
 - - - EXISTING COUNTY SEWER
 - PROPOSED CITY SEWER (PER VCU)
 - PROPOSED CITY GRAVITY SEWER (MAIN BORNE)
 - - - EXISTING PARCEL LINE
 - EXISTING SANITATION DISTRICT TRUNK SEWER
 - - - VISTA CANYON BOUNDARY
 - - - SEWER CONSTRUCTION ZONE LIMIT

Location of SCWD wells within the Project Area

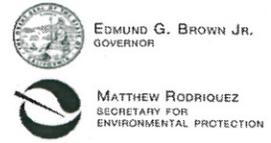




ALLIANCE
LAND PLANNING & ENGINEERING INC.
CIVIL ENGINEERING • LAND PLANNING • HILLSIDE DESIGN • SURVEYING

PLAN PREPARED FOR:

NEWHALL COUNTY WATER DISTRICT
23780 NORTH PINE STREET
SANTA CLARITA, CA. 91321
Phone: 661-259-3610



Los Angeles Regional Water Quality Control Board

September 3, 2015

Phil Friess
 Joint Outfall System
 1955 Workman Mill Road
 Whittier, CA 90601

Dear Mr. Friess,

MINOR MODIFICATIONS AND CLARIFICATIONS TO THE SANTA CLARITA VALLEY SANITATION DISTRICTS (SCVSD) WASTE DISCHARGE REQUIREMENTS FOR:
 - SAUGUS WATER RECLAMATION PLANT (WRP), ORDER R4-2015-0072 (NPDES NO. CA0054313) AND
 - VALENCIA WRP ORDER R4-2015-0071 (NPDES NO. CA0054216)

In reviewing Waste Discharge Requirements (WDR) Orders R4-2015-0072 for the Saugus WRP and R4-2015-0071 for the Valencia WRP, needed clarifications have been identified by SCVSD and raised to the attention of the Los Angeles Regional Water Quality Control Board (Regional Water Board) staff. SCVSD requests that the January 20, 2016 interim compliance date be modified by one month to February 20, 2016, and that several descriptions in the NPDES permits be adjusted to reflect the path to compliance now being pursued by SCVSD. However, the final compliance date for chloride will not change.

Pursuant to Code of Federal Regulations, 40 CFR Section 122.63(c), minor modification of permits are allowed to change an interim compliance date in a schedule of compliance, provided the new date is not more than 120 days after the date specified in the existing permit and does not interfere with attainment of the final compliance date requirement. Therefore, this letter serves as notification that the following minor modifications are made to WDR Orders R4-2015-0071 and R4-2015-0072 (additions are in underlined and deletions are in strikeout format):

- In Order R4-2015-0071, Table 6 on page 25 of WDR; Table F- 11 on Page F-59 of the Fact Sheet; and, Section II on page J-5 of Attachment J, the following changes are made:

Table 6. Compliance Schedule & Milestone Dates

Project & Sub-tasks*	Implement- ation Deadlines	9 month deliverable Schedule					
		4/1/15 to 12/31/15	1/1/16 to 9/30/16	10/1/16 to 6/30/17	7/1/17 to 3/30/18	4/1/18 to 12/31/18	1/1/19 to 9/30/19
<u>Deep Well Injection Test Well/ Alternate Brine Management</u>							
• Complete Design <u>Deep Well Injection Test Well</u>	9/30/2015	X					
• Award Contract <u>Release Draft SEIR for Public Review</u>	<u>4/20/2016</u> <u>2/20/2016</u>		X				
• Construction and Testing <u>Approve/Certify Final SEIR</u>	11/8/2016			X			

CHARLES STRINGER, CHAIR | SAMUEL UNGER, EXECUTIVE OFFICER

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Project & Sub-tasks*	Implement- ation Deadlines	9 month deliverable Schedule					
		4/1/15 to 12/31/15	1/1/16 to 9/30/16	10/1/16 to 6/30/17	7/1/17 to 3/30/18	4/1/18 to 12/31/18	1/1/19 to 9/30/19
<u>UV Disinfection Facilities at Valencia and Saugus WRPs</u>							
• Complete Design	4/12/2017			X			
• Award Contract	7/10/2017				X		
• Start Onsite Construction	3/10/2018				X		
• Startup	7/1/2019						X
<u>MF/RO and Brine Minimization Advanced Treatment Facilities</u>							
• Complete Design	4/12/2017			X			
• Award Contract	7/10/2017				X		
• Start Onsite Construction	3/10/2018				X		
• Startup	7/1/2019						X
<u>Final Deep Well Injection Production Wells Brine Construction Facilities</u>							
• Complete Design	6/6/2017			X			
• Start Onsite Construction	12/29/2018					X	
• Startup	7/1/2019						X
<u>Brine Force Main and Pump Station Management</u>							
• Complete 50% Design	11/6/2017				X		
• Complete Design	5/6/2018					X	
• Startup	7/1/2019						X

* The Regional Water Board acknowledges that on March 11, 2015 the SCVSD Board directed its staff to withdraw the proposed location for a deep injection well site identified in the TMDL from consideration within the Supplemental EIR and to evaluate alternative site locations. As a result, SCVSD may not be able to complete Task 4aⁱⁱ and Task 4aⁱⁱⁱ specifically as they appear in Resolution R4-20 14-010, but intends to consider and implement an alternative for disposal of brine in sufficient time to achieve compliance by July 1, 2019.

- In Order R4-2015-0071, for the Valencia WRP, Section II.E of the Fact Sheet on page F-14, delete reference to deep well injection:

E. Planned Changes

The Valencia WRP's treatment system had been upgraded in the past to nitrify and de-nitrify the effluent for ammonia-nitrogen and nitrate-nitrogen removal. Major plant upgrades are proposed by the Permittee for the Valencia WRP to achieve compliance with the *Upper Santa Clara River Chloride TMDL*. SCVSD proposes to implement the EIR alternative which includes construction of ultra violet (UV) disinfection facilities and membrane filtration/reverse osmosis (MF/RO) facilities with brine disposal ~~via deep well injection (DWI)~~ in order to attain the chloride numeric target in Reach 5 of the Santa Clara River, downstream of the Valencia WRP.

3. In Order R4-2015-0072, for the Saugus WRP, Section II.E of the Fact Sheet on page F-13, delete reference to deep well injection:

E. Planned Changes

The Saugus WRP's treatment system had been upgraded in the past to nitrify and denitrify the effluent for ammonia-nitrogen and nitrate-nitrogen removal. Major plant upgrades are proposed by the Permittee for the Saugus WRP to achieve compliance with the Upper Santa Clara River Chloride TMDL. SCVSD proposes to implement the EIR alternative which includes construction of UV disinfection facilities at both the Saugus and Valencia WRPs, coupled with membrane filtration/reverse osmosis (MF/RO) facilities and brine disposal ~~via deep well injection (DWI)~~ at the Valencia WRP. These facilities are necessary to attain the chloride numeric target in Reach 5 of the Santa Clara River, downstream of the WRPs.

If you have any questions, please contact Veronica Cuevas at (213) 576-6662 or Cris Morris at (213) 620-2083.

Sincerely,



Samuel Unger, P.E.
Executive Officer

cc: U. S. Environmental Protection Agency, Region 9, Permits Branch (WTR-5)
U. S. Army Corps of Engineers
NOAA, National Marine Fisheries Service
Department of Interior, U.S. Fish and Wildlife Service
Department of Fish and Wildlife, Region 5
State Water Resources Control Board, Office of Chief Counsel, Frances McChesney
State Water Resources Control Board (SWRCB), Division of Drinking Water
Los Angeles Department of Public Works
Heal the Bay
Los Angeles Waterkeeper (formerly Santa Monica Baykeeper)
Natural Resources Defense Council
Environment Now
California Coastal Commission, So. Coast Region
Ventura Coast Keeper
Wishtoyo
Ventura County
United Water Conservation District
Mr. Keith W. Pritsker, Law Office of Keith W. Pritsker
Mr. Mike Solomon, United Water Conservation District
Mr. John Yoon
Ms. Anne Marie Whalley
Mr. Jae Kim, Tetra Tech
Ms. Kristy Allen, Tetra Tech