ADMINISTRATIVE REPORT

Date: October 17, 2013

Agenda Item No: 7

Meeting Date: October 23, 2013

To: **VENTURA WATER RATE ADVISORY COMMITTEE**

From: **SHANA EPSTEIN, VENTURA WATER GENERAL MANAGER**

Subject: **SANTA CLARA RIVER ESTUARY STATUS UPDATE**

RECOMMENDATIONS

It is recommended that the Committee receive report.

SUMMARY

The Ventura Water Reclamation Facility (VWRF) has a National Pollutant Discharge Elimination System (NPDES) Permit to discharge tertiary treated water to the Santa Clara River Estuary (Estuary). Issued by the Los Angeles Regional Water Quality Control Board (RWQCB), the Permit is renewed every five years following a lengthy review process during which all existing and proposed requirements are evaluated for inclusion in the new Permit. As part of the renewal process in 2008, concerns arose regarding the potential environmental impacts of the discharge to the Estuary.

While some parties wanted the RWQCB to revoke the existing exemption to State water policy, which allows the discharge, but others, including resource agencies such as National Oceanic and Atmospheric Administration (NOAA) Fisheries and California Department of Fish and Wildlife, did not want any decrease in the amount of the current discharge until all alternatives were evaluated thoroughly to allow for the best ecologically sustainable alternative since the discharge supports the Estuary's endangered species and enhancement of its habitat value. Subsequently, to address these concerns scientifically, the Permit issued in 2009 required additional environmental studies, including a stakeholder element, which have been accomplished in two phases.

DISCUSSION

Scientific Special Studies

The Phase 1 study was intended to confirm that the VWRF discharge improves the Estuary by analyzing the existing geomorphology, hydrology, water quality, vegetation and four focal species that use the Estuary lagoon and surrounding environments. The Phase 1 study found that the Estuary discharge provided a fuller realization of beneficial uses in the Estuary. The findings are contained in the *Estuary Subwatershed Study Assessment of the Physical and Biological Condition of the Santa Clara River Estuary: Final Synthesis Report* completed in March 2011.

The Phase 2 study was intended to develop additional information to improve the understanding of the Estuary functioning and help assure protection of the sensitive wildlife and aquatic resources and habitats within the Estuary. The Phase 2 report was also intended to provide information to regulators and stakeholders on the various environmental and physical aspects of the Estuary and the discharge to aide in the decision making process.

Specifically, the study looked at how much water delivery should continue to discharge into the Estuary and how much should be diverted from the Estuary. The study concluded that about 50% of the water currently released (4 to 5 million gallons daily) would be better for the habitat than completely stopping the discharge of water into the Estuary.

The Phase 2 work also evaluated these findings with previous studies to develop a process to determine best discharge management practices and the best potential use for the increased amount of diverted water. This work developed the *Estuary Special Studies Phase 2: Facilities Planning Study for Expanding Recycled Water Delivery* report which identified potential reuse projects and the volume of water they would require.

2011 Settlement Agreement

On December 12, 2011, the City Council approved the final agreement between Ventura Water, Heal the Bay, and Wishtoyo Foundation's Ventura Coastkeeper Program to resolve the debate about the impact of the tertiary treated water on the sensitive ecology of the Estuary as well as associated legal and administrative actions against the City. Innovative in its approach, the settlement outlines common goals and a collaborative process which relies on the best available science (Estuary Special Studies) to decide how to use the reclaimed water produced by the VWRF in the future. The major points of the long-term settlement include:

- Creating opportunities to use between 50-100% of the treated water and reduce the amount released into the Estuary

- If any treated water is still released into the Estuary, a treatment wetlands will be constructed to further improve water quality

- Working together with Ventura Water's customers to arrive at the most responsible and sustainable solution for the health of the Estuary and Ventura's water supply by 2025.

The agreement also includes a price cap of $55 million in 2011 dollars to fund the costs of projects to divert the water to other uses in the future. The different options to fund this program were evaluated during Ventura Water's 2011-12 Cost of Service and Rate Design Study and as a result, current water and wastewater rates include an Estuary Protection Charge as a separate line item cost. The revenues collected from this charge are held in a separate fund and are restricted to planning purposes only, at this time.

2013 NPDES Permit Renewal

All of the work from the studies is supporting the NPDES discharge permit renewal process currently underway. The draft Permit was open for public comment until early October. The RWQCB will be commencing a public hearing on November 7, 2013. The new Permit is anticipated to require additional Phase 3 studies regarding toxicity and nutrients in the Estuary.

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For

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