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June 1, 2011

Mr. Doug Wylie
California Regional Water Quality Control Board
Colorado River Basin Region 7
73-720 Fred Waring Drive, Suite 100
Palm Desert, CA 92260

Subject: Cease and Desist Order No. R7-2009-0049 (NPDES Permit No. CA0104248) -
Selection of Alternative Method of Treatment and Disposal and Time Extension to Implement
Alternative Project

Petition

Imperial Irrigation District (IID) has selected to implement an alternative method of treatment and disposal to phase out the discharge of wastewater from the El Centro Generating Station (ECGS) to achieve compliance with the requirements of the California Regional Water Quality Control Board Cease and Desist Order No. R7-2009-0049. The deadline for IID to comply with the requirements of the Cease and Desist Order is November 30, 2011. Therefore, the IID petitions the California Regional Water Quality Control Board for an 18 month extension to May 30, 2013 to implement the alternative method of treatment and disposal.

IID respectfully requests the California Regional Water Quality Control Board - Colorado River Basin Region 7 staff to prepare a "Notice of Application and Public Hearing for Discharge Permit Modification" for implementation of an alternative method of treatment and disposal, and an 18 month extension to implement such alternative method. IID's expectation is that its discharge permit modification petition will be considered at a public hearing held during the Regional Water Quality Board's regular meeting scheduled for June 23, 2011.

Description of the Alternative Method of Treatment and Disposal

The ECGS is located at 485 E. Villa Road in El Centro, California. The ECGS generates process wastewater from its power generation activities. Currently, the ECGS discharges its process wastewater in compliance with a National Pollutant Discharge Elimination System (NPDES) Permit CA0104248, California Regional Water Quality Control Board Order No. R7-2004-0086, and Cease and Desist Order (CDO) No. R7-2009-0049 to Central Drain Number 5. As required by the current NPDES permit and CDO, the ECGS must comply with the California Toxics Rule (CTR) by December 2011.

The alternative method selected for addressing the more stringent CTR requirements to eliminate the process wastewater discharge to Central Drain Number 5 is to dispose of it through two new U.S. Environmental Protection Agency (USEPA) Class I deep injection wells to be located at the ECGS.

Each injection well will be designed to accept a maximum injection rate of approximately 850 gpm. A piping collection system including injection pumps and new motor control center will be installed to handle the process wastewater. The collection system will be controlled by a PLC based system with operator interfaces and will monitor the injection process and collect data for compliance reporting to State and Federal agencies.

Construction of the two Class I deep injection wells and the collection system will be contracted as turnkey projects and inspected and approved by IID personnel.

Description of the Environmental Benefits

The environmental benefits of this project include:

- a. The ECGS will achieve compliance with California Regional Water Quality Control Board Order permits and the California Toxics Rule;
- b. IID will avoid fines for permit violations;
- c. More efficient use of water at the ECGS as a result of increasing cycles in the cooling towers; and
- d. Possible use of deep injection wells to address a similar issue with wastewater produced by the IID Water Department.

Description of the Plan to Implement the Chosen Alternative

IID originally planned to install reverse osmosis (RO) technology for handling the ECGS wastewater disposal issue. The RO water generated from the wastewater would be recycled within the ECGS for additional use, and the RO waste brine would be discharged into an evaporation pond on site. Under Request for Proposal No. 701, IID competitively bid out this RO technology solution. The bids came back at a substantially higher cost than expected. A project life cycle cost evaluation was performed to determine the life cycle cost of the RO technology solution relative to IID's alternative disposal technology, deep injection well disposal. The net present value (NPV) difference over 30 years between the RO technology and the deep injection well technology was estimated at \$47.5 million. Based on this finding, IID changed direction by pursuing deep injection well technology for addressing the ECGS wastewater disposal issue. This significant change in technology requires IID to substantially extend the compliance schedule.

After IID Board approval of moving forward with ECGS Deep Injection Wells Project and during early stages of execution of the project, the vendors that the project team expected to use were ultimately not selected due to a failure to come to terms on acceptable pricing and contract terms. This change (Owner's Engineer and Drilling vendors) added several months to IID's compliance schedule due to the necessity to conduct additional contract negotiations with the new vendors and additional administrative processing of contracts.

IID has a great deal of confidence in its current approach to address the ECGS wastewater disposal issue. With support from various vendors, IID has checked and rechecked the viability of the Deep Injection

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Wells Project. However, due to natural subsurface conditions, IID, of course, cannot foresee whether the wells will accept sufficient quantities of waste water until the first injection well is completed. This is the nature of the deep injection well technology. To minimize risk, IID has decided not to extend its financial risk beyond the cost of drilling the first injection well until this well has proven viable. In short, IID does not plan on committing to the above ground collection and injection piping system until the first injection well proves successful; although, IID will be working aggressively to have all above ground collection and injection issues addressed, up to having an executable contract ready upon completion of the first injection well.

IID has selected Layne Christensen Company to drill the injection wells, and based on their drilling schedule, IID would be in a position to execute the above ground collection and injection piping system contract in December 2011. This low risk approach to execution of the project adds several months to IID's compliance schedule, but will minimize significant financial risk to IID in the case that the first well is not viable.

Extended Project Schedule Milestones

Milestone	Milestone Description	Milestone Submittal	Completion Date
1	Drill and Confirm Well #1 is Geologically Acceptable for Wastewater Disposal	Submit a Copy of the Well Acceptability Report	October 31, 2011
2	Issue Notice to Proceed to Procure and Install Wastewater Collection and Injection Surface Equipment	Submit a Copy of Notice to Proceed	December 30, 2011
3	Complete Construction of the Wastewater Collection and Injection Surface Equipment for Injection Well #1	Submit Summary and Verification of Construction Completion	May 30, 2013

If you have any questions, please feel free to contact me at (760) 339-0506.

Sincerely,



Michael Taylor
General Supt., Generation Plant

cc: D. Kolk
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