

Executive Officer's Summary Report
9:00 a.m., July 15, 2010
Regional Water Board
5550 Skylane Blvd., Suite A
Santa Rosa, CA

Item: 5

Subject: Proposed Cease and Desist Order No. R1-2010-0039 for Freshwater Tissue Company Requiring Compliance with National Pollutant Discharge Elimination System (NPDES) Permit for Freshwater Tissue Company, Samoa Pulp Mill (Waste

The Samoa Pulp Mill (hereafter "Facility") is located on a 150-acre site on the Samoa Peninsula in Humboldt County. The Facility began production of kraft pulp in 1965 and, until 2001, was owned and operated by Georgia-Pacific Corporation or Louisiana-Pacific Corporation. Since 2001, the Facility has been owned by a succession of owners: Samoa Pacific Cellulose, Stockton Pacific Enterprises, Evergreen Pulp, Inc., and, finally, Freshwater Pulp Company LLC beginning in February 2009 (now Freshwater Tissue Company (FTC)). The Facility has the capacity to produce an average of 700 air dried tons per day of bleached and unbleached kraft pulp and to discharge to the Pacific Ocean up to 20.0 million gallons of wastewater created during the pulp production process and energy and chemical recovery processes.

On January 27, 2010, FTC submitted a NPDES application and report of waste discharge (ROWD) in which it proposed to discharge wastes from pre-production maintenance and start up activities as soon as possible and commence full operations for a bleached and unbleached pulp mill in the 4th quarter of 2010. The ROWD was determined by staff to be incomplete because it lacked adequate characterization of the pre-production waste discharge and specific detail about how the discharge would comply with applicable Effluent Limitation Guidelines (ELGs) for the Pulp, Paper, and Paperboard Point Source Category in 40 CFR 430. In response, FTC provided additional information about the pre-production waste discharge and acknowledged that the discharge could not immediately comply with separate National ELGs for mills producing bleached and unbleached kraft pulp. FTC proposed to construct a conventional activated sludge biological treatment plant to meet the applicable effluent limitations for biochemical oxygen demand (BOD) and suspended solids (TSS). FTC estimated that final design of the treatment facilities, permitting by all affected regulatory agencies, and construction of the facilities will take 2-3 years to complete, and requested that the Regional Water Board adopt an order with a time schedule to comply with the applicable effluent limitations.

Regional Water Board staff developed requirements for a draft NPDES permit for the discharge of wastewater from pre-production maintenance activities and for the discharge of wastewater process and circulated the tentative order for public review on

March 30, 2010. A public hearing to consider adoption of the draft NPDES permit and draft Cease and Desist Order was scheduled for June 10, 2010, but later rescheduled to July 15, 2010 as a result of changes made to the draft Order in response to public comment.

A draft Cease and Desist Order was prepared and circulated for public review on April 22, 2010. The draft Cease and Desist Order was revised in response to public comments and changes to the draft NPDES permit and made available for public review from June 29, 2010 to July 9, 2010. The revised draft Cease and Desist Order includes:

Requirements to comply with BOD and TSS limitations during pulp production:

- A thirty-six (36) month compliance schedule to give the Discharger time to obtain required local development permits and for the design and construction of a conventional activated sludge wastewater treatment plant
- Performance-based interim effluent limitations for BOD and TSS that apply during unbleached pulp production
- Protection from Mandatory Minimum Penalties for violations of final effluent limitations for BOD and TSS that apply during unbleached pulp production so long as the Discharger complies with the interim limitations and compliance schedules included in the draft Cease and Desist Order

Requirements to comply with settleable solids and turbidity limitations for the discharge of solids from the water treatment plant:

- A thirty-two (32) month compliance schedule to provide the Discharger time to investigate and implement control measures to remove solids from the water treatment discharge or obtain regulatory relief through an expanded Ocean Plan exception from the State Water Resources Control Board
- Interim effluent limitations for settleable solids and turbidity based on best professional judgment
- Protection from Mandatory Minimum Penalties for violations of final effluent limitations for settleable solids and turbidity so long as the Discharger complies with the interim limitations and compliance schedules included in the draft Cease and Desist Order.

A detailed staff report for this Item is currently being prepared and will be provided to the Board prior to July 9, 2010. In addition, necessary late revisions made in response to comments received by the July 9 deadline for receipt of comments will be provided to the Board as soon as possible prior to the July 15 hearing.