

California Regional Water Quality Control Board
Santa Ana Region

April 24, 2009

ITEM: 14

SUBJECT: Resolution Revising a Request for Cleanup and Abatement Account Funds Related to Perchlorate and Volatile Organic Compound Contamination of Groundwater in the Rialto Area

DISCUSSION:

The Cleanup and Abatement Account (CAA) was created by Water Code Sections 13440-13443. Monies received from court judgments and the assessment of administrative civil liabilities fund the Account. The management of the CAA is the responsibility of the State Water Resources Control Board (State Board). Monies from the CAA are available for contract services to cleanup a waste or abate the effects of a waste discharge and to remedy an actual or potential unforeseen public health threat. The State Board, the regional boards, or any governmental agency with the authority to cleanup or abate the effects of waste discharges are eligible for funding from the CAA. The State Board allocates monies from the CAA for special projects and for emergency projects on a case-by-case basis.

Perchlorate pollution in the Rialto Groundwater Management Zone poses a potential threat to public health. A significant source of this pollution is from an area generally referred to as the 160-acre site, located in the City of Rialto. The City of Rialto and the West Valley Water District (WVWD) submitted a request, dated February 6, 2008, for \$3 million of funding from the CAA. In response to the request, on February 29, 2008, the Regional Board adopted Resolution No. R8-2008-0020, which requested that the State Board allocate \$3 million from the CAA for conducting a regional groundwater study related to perchlorate and volatile organic compound (perchlorate/VOC) contamination of groundwater in the Rialto area. The State Board subsequently adopted Resolution No. 2008-0018 on March 18, 2008, approving the allocation of \$3 million from the CAA.

The regional groundwater study was to include an additional soil investigation at the 160-acre site, development of a long-term perchlorate/VOC remediation plan, and installation of three multi-port monitoring wells and three nested monitoring wells. However, the United States Environmental Protection Agency (USEPA) is currently in the process of installing six groundwater monitoring wells, and Emhart Industries, Inc. is conducting an additional soil investigation at the 160-acre site in accordance with an agreement with the USEPA. These two actions essentially represent the investigative efforts envisioned when the \$3 million was requested.

On April 15, 2009, the WVWD and the City of Rialto requested that the previously requested funds from the CAA instead be directed towards a new plume interception and biological treatment project (Joint Wellhead Treatment Project). The work proposed in both the initial request and this revised request is related to the perchlorate/VOC pollution from the 160-acre site and is necessary to develop and initiate a remedial action plan for this perchlorate/VOC pollution.

The new plume interception and biological treatment project will be designed to treat 2,000 gallons per minute of water produced from City of Rialto Well No. 6 and WVWD Well No. 11. Although several million dollars may come to this project through the Department of Defense and this request, the majority of funds for the project are being requested through Proposition 84, Section 75025 funds administered by the California Department of Public Health (DPH), with a September 2009 application deadline for a "shovel ready" project.

As described in the April 15, 2009 letter from WVWD and the City of Rialto, it is anticipated that approximately \$1.5 million will be needed to perform the engineering and planning work necessary to submit a "shovel ready" Proposition 84 grant application by this Fall. The remaining funds will be put towards wellhead treatment startup and operation and maintenance costs.

Regional Board staff reviewed this revised request and determined that the proposed new plume interception and biological treatment project would support the cleanup of perchlorate/VOC pollution that continues to migrate in the Rialto Groundwater Management Zone. The tentative resolution further requests, and the City of Rialto and the WVWD have agreed, that the funds be provided to the Regional Board to support the work proposed by the City of Rialto and the WVWD. The Regional Board can then assure that the work performed with these funds is coordinated with, and is consistent with, other tasks that may be implemented by others in the area.

RECOMMENDATION: Adopt Resolution No. R8-2009-0027 requesting that the State Board revise its prior approval in Resolution No. 2008-0018 to support the new plume interception and biological treatment project.

California Regional Water Quality Control Board
Santa Ana Region

RESOLUTION NO. R8-2009-0027

Resolution Revising a Request for Cleanup and Abatement Account Funds Related to
Perchlorate and Volatile Organic Compound Contamination of Groundwater in the Rialto
Area

WHEREAS:

1. Sections 13440 through 13443 of the California Water Code established the State Water Pollution Cleanup and Abatement Account (Account) to be administered by the State Water Resources Control Board (State Board).
2. Grants to public agencies and regional boards are available from the Account. The State Board may order monies to be paid from the Account to a public agency or regional board to assist it in cleaning up waste or abating its effects on waters of the State.
3. The Rialto Groundwater Management Zone is beneficially used for municipal and domestic supply. A significant water quality problem that poses a potential threat to public health currently exists in the Rialto Groundwater Management Zone due to pollution from perchlorate and volatile organic compounds ("perchlorate/VOC pollution"). A significant source of this pollution is an area generally referred to as the 160-acre site, located in the City of Rialto.
4. The Executive Officer has issued Draft Amended Cleanup and Abatement Order No. R8-2005-0053. That order would require that parties subject to the order conduct various investigation and cleanup work to address the perchlorate/VOC pollution from the 160-acre site.
5. A hearing on Draft Amended Cleanup and Abatement Order No. R8-2005-0053 has not been conducted and is not scheduled at this time. As a result, work that would be required by the order is not being conducted by any parties. The perchlorate/VOC pollution of groundwater from the 160-acre site continues to migrate since no remedial measures to address that pollution are currently in place.
6. The City of Rialto and the West Valley Water District submitted a request, dated February 6, 2008, for \$3 million of funding from the Account. On February 29, 2008, the Board adopted Resolution No. R8-2008-0020 directing the Executive Officer to submit a request for \$3 million from the Account to support the project proposed by the City of Rialto and West Valley Water District. The Executive Officer submitted such a request on March 5, 2008. On March 18, 2008, the State Water Resources Control Board adopted Resolution No. 2008-0018 approving \$3 million from the Account for a project consistent with the February 6, 2008, request by the City of Rialto and West Valley Water District.
7. On March 9, 2009, the City of Rialto and West Valley Water District entered into a Memorandum of Understanding (MOU), for the purpose of developing a new plume interception and biological treatment project. The two agencies seek funding for this new project as an alternative to the work proposed in the prior

request, and submitted a letter dated April 15, 2009, requesting that the previously approved funds be redirected to this new project. The work proposed in both the initial request and the MOU is related to the perchlorate/VOC pollution from the 160-acre site and is necessary to develop and initiate a remedial action plan for this perchlorate/VOC pollution.

8. The new project proposed by the City of Rialto and the West Valley Water District in their MOU and April 15, 2009, letter will help to expedite the cleanup of a serious perchlorate/VOC plume in groundwater that continues to migrate. It is therefore appropriate for the State Board to consider revising its prior funding approval to accommodate this revised project.

THEREFORE, BE IT RESOLVED THAT:

1. The Regional Board expresses its appreciation to the State Board for its adoption of Resolution No. 2008-0018 approving \$3 million from the Account.
2. The Executive Officer is directed to submit a request that the State Board revise its prior approval of \$3 million from the Account. The request shall be based on the modified project described in the MOU between the City of Rialto and the West Valley Water District. The funds shall be requested to be provided to the Regional Board to support the perchlorate/VOC plume interception and biological treatment project proposed by the City of Rialto and the West Valley Water District.
3. The Regional Board requests that the State Board consider this request at the earliest available opportunity.
4. The Executive Officer is directed to transmit a copy of this Resolution to the State Board.

I, Gerard J. Thibeault, Executive Officer, do hereby certify that the foregoing is a full, true and correct copy of a resolution adopted by the California Regional Water Quality Control Board, Santa Ana Region, on April 24, 2009.

Gerard J. Thibeault
Executive Officer



April 15, 2009

Mr. Kurt Berchtold
Assistant Executive Officer
Santa Ana Regional Water Quality Control Board
3737 Main Street, Suite 500
Riverside, CA 92501-3348

Re: Request for Re-Designation of Cleanup and Abatement Account Funds

Dear Mr. Berchtold:

The West Valley Water District ("WVWD") and the City of Rialto ("City") have been dealing with perchlorate and Volatile Organic Compound (VOC)-related groundwater contamination ("the Groundwater Contamination") in the Rialto-Colton Groundwater Basin ("the Basin") for more than ten (10) years. Because of this Groundwater Contamination, the City has declared a water supply emergency and has joined with the WVWD in this effort to stabilize local water supplies. The goal of this joint effort is to capitalize on multiple funding sources to build a wellhead treatment system ("the Project") to treat contaminated groundwater from Rialto Well No. 6 and WVWD Well No. 11.

On February 29, 2008, the Santa Ana Regional Water Quality Control Board ("RWQCB") adopted Resolution No. R8-2008-0020 which requested that the State Water Resources Control Board ("SWRCB") allocate \$3 million from the Cleanup and Abatement Account for conducting a regional groundwater study related to the Groundwater Contamination in the Basin. The SWRCB subsequently approved Resolution No. 2008-0018 on March 18, 2008, approving the allocation of \$3 million from the Cleanup and Abatement Account.

The \$3 million was divided towards two purposes: 1) \$200,000 was to be used to complete assessment and remediation activities that will aid in determining subsurface conditions, and to develop a long-term perchlorate and VOC remediation plan, and guaranteed cost estimates to implement the remediation plan over 30 years; and, 2) \$2.8 million was allocated so that a regional groundwater study could be performed which was to have included the installation of three (3) multi-port monitoring wells and three nested monitoring wells.

As of this time, only the first item has been implemented, leaving \$2.8 million remaining per SWRCB Resolution No. 2008-0018. Although significant groundwater investigation remains to be conducted in the Basin, the United States Environmental Protection Agency ("USEPA") currently is in the process of installing six sets of nested groundwater monitoring wells and has reached a settlement with the Emhart Industries for source investigation. In effect, these USEPA actions represent the investigative efforts envisioned when the \$2.8 million was requested.

150 South Palm Avenue
Rialto, California 92376

855 West Baseline
Rialto, California 92376

The City and WWWD (consistent with Item 4 of our February 6, 2008 funding request) are requesting that the remaining \$2.8 million be re-designated to be used for the design, grant application and startup/operations and maintenance of the Wellhead Treatment Project by a RWQCB resolution, and then a SWRCB resolution.

In brief, the Project will be designed to treat 2,000 gallons per minute (“gpm”) of water produced from City Well No. 6 and WWWD Well No. 11. Although several million dollars may come to the Project through the Department of Defense and this request, the majority of funds for the Project implementation are being requested through Proposition 84, Section 75025 funds (pursuant to 2008 Senate Bills X2 1 and 732) administered by the California Department of Public Health (“DPH”), with a September 2009 application deadline for a “shovel ready” project.

Although, the Project as currently envisioned is limited to a wellhead treatment system with capacity for treating 2,000 gpm from two wells, space is available and piping is being sized to enable potential expansion up to 4,000 gpm. The primary goal of the Project is to stabilize water supplies and provide wellhead treatment to recover lost capacity and operational flexibility and independence.

Funding from the Cleanup and Abatement Account will be used for developing necessary engineering plans, specifications and estimates for the Project’s Proposition 84 grant application due in the Fall of 2009. The remaining funds out of the \$2.8 million will be put towards wellhead treatment startup and operations/maintenance costs.

It is anticipated that approximately \$1.5 million will be required to prepare the necessary plans, designs, specification and engineering estimates needed to submit the Proposition 84 grant application in the Fall of 2009. This amount of \$1.5 million is based on preliminary estimates contained in Attachment 1, and may be subject to change. It is proposed that the remaining \$1.3 million of Cleanup and Abatement Account funds be used to help defray startup costs and/or operation and maintenance costs for the Project not covered under Proposition 84 and/or other funding sources.

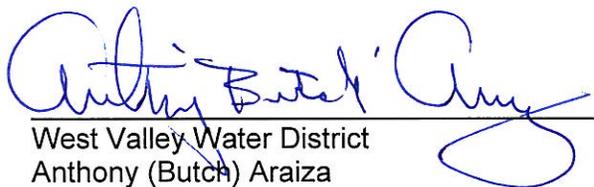
WWWD is responsible for Project management under a Memorandum of Understanding with the City. It is understood that Project expenses will be thoroughly documented and submitted to the RWQCB for reimbursement via Cleanup and Abatement Fund guidelines.

WWWD and the City greatly appreciate the help and support of the RWQCB and SWRCB in this effort. If you have any questions, or you require additional information or clarification, please contact the undersigned immediately.

Sincerely,



City of Rialto
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer



West Valley Water District
Anthony (Butch) Araiza
General Manager