



March 10, 2016

J. Steven Williams, P.E.
District Engineer
State of California Water Resources Control Board
Division of Drinking Water
1350 Front Street, Room 2050
San Diego, CA 92101

Dear Mr. Williams,

HEXAVALENT CHROMIUM COMPLIANCE PLAN

On April 30, 2015, the State Water Resources Control Board Division of Drinking Water (Division) issued Compliance Order No. 05-20-15R-001 to Coachella Water Authority (CWA) for violation of the hexavalent chromium (Cr6) maximum contaminant level (MCL) and on July 20, 2015 CWA submitted a Corrective Action Plan (CAP) describing actions to be taken to return the system to compliance.

On September 4, 2015, Senate Bill 385 (SB385) was signed by the Governor, authorizing the Division to grant additional time for public water systems to come into compliance without being deemed in violation of the MCL. Specifically, SB385 requires a Compliance Plan that will bring the system into compliance as soon as possible, but no later than January 1, 2020. The Division accepted CWA's CAP as an initial draft Compliance Plan and is in the process of rescinding Compliance Order No. 05-20-15R-001, so that CWA is not reported as having incurred a Cr6 MCL violation. This Compliance Plan builds upon the previously approved CAP, addressing the additional content requirements outlined in SB385.

BACKGROUND

The CWA system is comprised of six (6) groundwater wells with a total pumping capacity of approximately 17.6 MGD. Currently, all 6 CWA wells are in operation and used to meet current water demands. All 6 wells have Cr6 concentrations above the Cr6 MCL, and will require treatment to meet the Cr6 MCL.

Prior to and since the adoption of the new Cr6 MCL, CWA has been proactive in preparing to meet the standard. CWA completed a Hexavalent Chromium Treatment and Compliance Study that reviewed best available technologies for CWA wells (copy of the final study report is available from CWA). All of CWA's wells are impacted by Cr6, so CWA does not have the ability to operate by turning off impacted wells and there are not opportunities to blend with nearby compliant wells. Well modification is also

is no evidence that zone selection would produce compliant water. CWA wells will require treatment for compliance and strong-base anion exchange (SBA) was recommended as a treatment technology for all CWA wells based on effectiveness of the technology for the water quality, cost, and minimizing water losses during treatment. CWA does not have the available funds to construct the treatment projects that are required for Cr6 compliance. Identifying the funding needed to support the design, environmental planning, and construction of treatment facilities will take time as outlined in the Compliance Plan below.

COMPLIANCE PLAN

The compliance plan outlines actions CWA is taking and will take to comply with the Cr6 MCL. The plan is comprised of eight phases: study, funding, design, environmental review, land acquisition, contractor selection, construction, and testing.

Phase 1 – Study

CWA has already completed a Hexavalent Chromium Treatment and Compliance Study that recommended SBA as a treatment technology for CWA wells. There are multiple options for implementing SBA at CWA well sites, which required further evaluation prior to final selection by conducting an operational evaluation. This evaluation is currently underway and includes an assessment of SBA waste brine management options to determine the best long-term approach for CWA. The treatment facilities will be selected based on life cycle cost analysis.

Phase 2 – Funding

The estimated capital cost for CWA is \$10M to \$29M (given planning level cost range accuracy and the variation among feasible alternatives). These are the projected costs for treating five CWA wells, as the sixth well is planned to be inactivated in the future. As a disadvantaged community, CWA does not have the available funds to construct the treatment projects that are required for Cr6 compliance. CWA has contracted with Hazen and Sawyer to conduct an operational study that is evaluating the lowest cost alternatives. A rate study is also planned that will identify the financial burden that must be passed on to CWA customers. CWA plans to fund the Project using California DWSRF grants or loans, as well as a grant through one or more of the Prop 1 programs. A potential source of grant/loan funding for this project that is administered by the State Water Resources Control Board is the Proposition 1 Groundwater Sustainability Program. The finalized grant funding guidelines and applicability criteria for the planning and construction of Cr6 treatment facilities under this program directly impacts the project schedule and these compliance plan milestones. CWA began discussions, submitted pre-applications, and will continue to work closely with the State and Federal entities to identify and pursue available grants and financial assistance.

Phase 3 – Design

Design for all CWA wells will be completed in parallel in preliminary and detailed design phases.

Phase 4 – Environmental Review

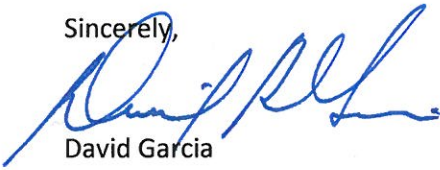
Permitting coordination has the potential to significantly impact the project schedule. Evaluation of permitting requirements for the treatment facilities will be conducted along with California Environmental Quality Act (CEQA) requirements in conjunction with design.

PUBLIC NOTICE

Once approved, CWA will submit a written status report to the Division quarterly and will provide written notice regarding the compliance plan to the persons served by the public water system at least two times per year. The current planned method of delivery for these notices is a printed bill insert and also post them on the City of Coachella's website. Delivery of public notices is planned for the following dates:

- July 2016
- December 2016
- June 2017
- December 2017
- June 2018
- December 2018
- June 2019
- December 2019

Sincerely,

A handwritten signature in blue ink, appearing to read 'David Garcia', written over the word 'Sincerely,'.

David Garcia
City Manager