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August 9, 2016

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Mr. Michael Simmons, Foreperson
 Contra Costa County Civil Grand Jury
 725 Court Street, P.O. Box 911
 Martinez, CA 94553

RE: CENTRAL CONTRA COSTA SANITARY DISTRICT RESPONSE TO GRAND JURY REPORT NO. 1606 "RECLAIMING OUR WATER"

Dear Mr. Simmons:

On May 31, 2016, the Board of Directors of the Central Contra Costa Sanitary District (CCCSD) received the subject Grand Jury Report No. 1606, dated May 24, 2016. The report specifically directs CCCSD's Board to respond to Grand Jury Findings F3-F6 and F9, and Recommendations R2, R3, R7, and R9. Attached are the CCCSD Board of Directors' responses to these items.

Water recycling is a complicated but important issue. CCCSD's Board of Directors is committed to expanding access to recycled water to its customers, as it represents a sustainable water supply that is available even during droughts. However, the cost of recycled water projects should not be borne by wastewater agencies alone, as the resulting benefits extend far beyond the boundaries of one agency.

Regarding Recommendation R9, in which the Grand Jury recommends the County and Districts consider meeting to discuss potential recycling and desalination projects, CCCSD's Board of Directors suggests creation of a Countywide Recycled Water Forum that brings together the County and relevant water and wastewater agencies to identify the hurdles to recycled water use in Contra Costa County and what can be done to move this issue forward. This effort could perhaps be led by the County's Resource Conservation District that could serve as a neutral party to facilitate the discussion, since they have no authority over water. CCCSD would be very interested in

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participating in such a discussion and welcomes the opportunity to collaborate on such an event.

Please feel free to contact me at (925) 229-7303 if additional information is needed.

Sincerely,



Tad J. Pilecki
Board President

Attachment

cc: Central Contra Costa Sanitary District Board of Directors
Contra Costa County Board of Supervisors
Contra Costa Water District Board of Directors
Dublin San Ramon Services District Board of Directors
East Bay Municipal Utilities District Board of Directors
Concord City Council
San Ramon City Council
Walnut Creek City Council
East Bay Leadership Council Water Task Force Chairs (via email)

The following are CCCSD's responses to the Grand Jury's FINDINGS:

FINDINGS

- F3. State matching grants and low-interest loans are available for small indirect potable reuse projects, which could potentially increase water supply.

The respondent agrees with the finding.

CCCSD is aware of the grant funding and low-interest loans for indirect potable reuse (IPR) projects. In order to implement an IPR Project, the District would need the cooperation and participation of a drinking water agency. CCCSD recently completed a Wholesale Recycled Water Opportunities Study that evaluated IPR Project opportunities with Contra Costa Water District (CCWD) and East Bay Municipal Utilities District (EBMUD) and has made both agencies aware of the findings of that study.

- F4. Indirect potable reuse projects are ideal for areas in the County where other new water sources are unavailable.

The respondent partially disagrees with the finding.

IPR projects can be ideal for areas in the County where other new sources are unavailable, if there is a suitable reservoir (surface or groundwater) available that can meet the required environmental storage time (6 months minimum) and other applicable regulations.

- F5. It is difficult to develop large recycled water projects without the cooperation and commitment of water purveyors and customers.

The respondent agrees with the finding.

Since drinking water agencies have the primary responsibility of providing an adequate water supply to the areas they serve, it is not possible for wastewater-only agencies, like CCCSD, to move forward with large recycled water projects without the cooperation, commitment and financial participation of the water purveyor. As well, a willing customer is essential for moving forward with any size recycled water project.

- F6. Where recycled water can be wheeled to one customer, it could "free up" an equivalent amount of fresh water that could then be wheeled to another customer who might be willing to pay more, thus creating "win-win" results for recycled water projects.

The respondent agrees with the finding.

CCCSD has been discussing this potential mechanism for moving water supply to where it is needed with both CCWD and EBMUD.

- F9. Satellite wastewater treatment plants are feasible in situations where the user is distant from existing recycled water distribution systems, needs water for irrigation, and is able to meet the costs to build and operate the plant.

The respondent agrees with the finding.

Satellite water recycling facilities can be a potential solution to serve irrigation demand that is distant from existing recycled water distribution systems, if an adequate supply of wastewater exists near the potential recycled water customer. It is also necessary to have community acceptance, in addition to customers willing to pay for the capital, operations, and maintenance costs associated with a satellite water recycling facility. It should be noted that satellite wastewater treatment plants only represent a seasonal demand of recycled water, where IPR and industrial recycled water projects use recycled water year-round.

The following are CCCSD's responses to the Grand Jury's RECOMMENDATIONS:

RECOMMENDATIONS

- R2. CCCSD and CCWD should explore the feasibility of cooperatively developing an IPR Injection Well Project.

The recommendation will not be implemented.

As part of CCCSD's Wholesale Recycled Water Opportunities Study, options for IPR projects, using existing groundwater basins were evaluated. The only usable groundwater basin in CCWD's service area is the Clayton groundwater basin, which is an unmanaged basin. Water supplies are not secure in unmanaged groundwater basins, so there would be no way to ensure that the 6-month minimum retention time and other applicable regulations for injected recycled water would be met.

- R3. CCCSD, CCWD and DSRSD should consider the formation of a JPA to expand CCCSD's tertiary treatment capacity in order to free up fresh water for domestic and commercial customers.

The recommendation requires further analysis.

CCCSD has had separate discussions with CCWD and DSRSD regarding opportunities to utilize CCCSD's potential water supply. If a project is identified

that involves CCWD and DSRSD, forming a JPA may be appropriate, however, there are other potential partners that CCCSD could partner with to achieve this goal. CCCSD will continue talking with Bay Area water agencies in an effort to develop projects for CCCSD's potential supply of recycled water.

- R7. The District should consider facilitating the use of satellite wastewater treatment plants, where appropriate.

The recommendation has been implemented.

CCCSD supports facilitating the use of satellite water recycling facilities, where appropriate. CCCSD executed Memorandums of Understanding (MOUs) with Diablo Country Club in 2012 and 2015, to explore the feasibility and pursue development of a satellite water recycling facility to irrigate their golf course. In 2016, CCCSD executed an MOU with Moraga Country Club to evaluate the feasibility of a satellite water recycling facility to irrigate their golf course.

- R9. The County and Districts should consider meeting to discuss each District's need for land for demonstration of scaled-up recycling and desalination projects using green technologies, which may qualify for State grant money, and the County's ability to lease such land.

The recommendation requires further analysis.

CCCSD would be happy to meet with the County and other water and wastewater districts to discuss this concept. In order to move a scaled-up water recycling demonstration project forward, it would first need the approval and financial support of the applicable water purveyor(s). If a water purveyor supports such a project, a willing customer (or customers) would need to be identified to determine the size and water quality requirements of the recycled water facilities and their land requirements. Additional funding would likely be needed, as state grants for recycled water projects require a local match.