



City of Malibu

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October 12, 2010

Mr. Sam Unger, Executive Officer
California Regional Water Quality Control Board
Los Angeles Region
320 W. 4th Street, Suite 200
Los Angeles, CA 90013

RE: Quarterly Progress Report No. 2 (Resolution No. R4-2009-007) and Milestone Update

Dear Sam:

On March 31, 2010, the City submitted a quarterly progress report in accordance with R4-2009-007. Although the City was not officially required to send in the report, as the Basin Plan Amendment had not been approved by the State, we did so in an effort to provide your office with a thorough update on our wastewater progress. On September, 21, 2010, the State Water Resources Control Board approved this proposed State Basin Plan Amendment and has now sent the resolution to the Office of Administrative Law for certification. At this time, the City is submitting this quarterly report to become fully compliant with the resolution and update your records for the last 6 months. It should be noted that nothing in this report or its transmittal waives any rights the City has to challenge the legality or appropriateness of the proposed ban and the City expressly reserves all its rights in that regard.

Quarterly Progress Report No. 2:

A detailed history was provided with Quarterly Progress Report No. 1.

Discussion:

Resolution No. R4-2009-007 states that, by November 1, 2010, the following milestone shall be completed: *Completion of 50% of a master facilities plan and initiation of environmental review, with strong, on-going public participation. Concurrently, initiation of preliminary engineering and a feasibility study for possible projects to comply with the prohibition.*

The City of Malibu continues to make steady progress on our design of a centralized wastewater treatment facility (CCWTF) for the City's civic center area. We feel we are well beyond the 50% completion of a master facilities plan as we are nearing the option to begin final engineering drawings. Exhibit 1 shows the City's current plan for a phased approach to installing a CWWTF. Exhibit 2 shows the layout of the proposed collection system and recycled return system. It also shows the proposed location for the CWWTF. Exhibit 3 shows the site layout for a membrane bioreactor (MBR) type wastewater treatment plant that is plotted on the proposed site location in Winter Canyon.

As we have discussed on numerous occasions, the City's phased plan deviates from the RWQCB plan (prohibition area). The City plan anticipates the treatment and dispersal of approximately 260,700 gpd of effluent, while the RWQCB plan would necessitate treatment and dispersal of nearly 600,000 gpd (Exhibit 4). The City's plan and the RWQCB phasing are also different (Exhibits 5 and 6). The City is desirous to affect change in the phasing and boundaries so that we can continue to make progress on our plans.

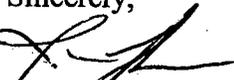
The City has been having strong and ongoing meetings with stakeholders about the CCWTF. Over the last year, the City has meet on a monthly basis with a stakeholders group comprised of commercial property owners, residential HOA representatives and other interested individuals. The City also made a few presentations to HOA organizations within the prohibition boundary area. There is widespread support for the City plan. Approximately 90% of the commercial properties within Phase I of the City's plan have provided written confirmation that they would be supportive of an assessment district to fund a CWWTF.

In our discussions with Heal the Bay, it was requested that we eliminate all treated effluent from entering into the Malibu Creek groundwater regime. In order to accommodate that request, the City's plan shows that dispersal of treated effluent into the groundwater could be done in the Winter Canyon regime. The City's consultant has estimated that this groundwater basin can take in approximately 110,000 gpd; therefore, a total of 335,000 gpd can be dispersed and/or reused. With these estimates, the City's plan could be accommodated, but not the entire prohibition area.

The City is now ready to begin final plans for the MBR design. In addition, final percolation and dispersal capacities of Winter Canyon need to be performed. This next stage of the design process will require extensive funding in the hundreds of thousands of dollars. At this time, we cannot move forward with the final design until such time the City has confirmation that our design will meet all the requirements of the prohibition. This would include appropriate phasing and boundaries. The City is committed to working with the RWQCB on this effort in hopes that a solution can be achieved.

I trust this Progress Report No. 2 is fully sufficient in accordance with the resolution and demonstrates that we have met the November 1, 2010 milestone.

Sincerely,

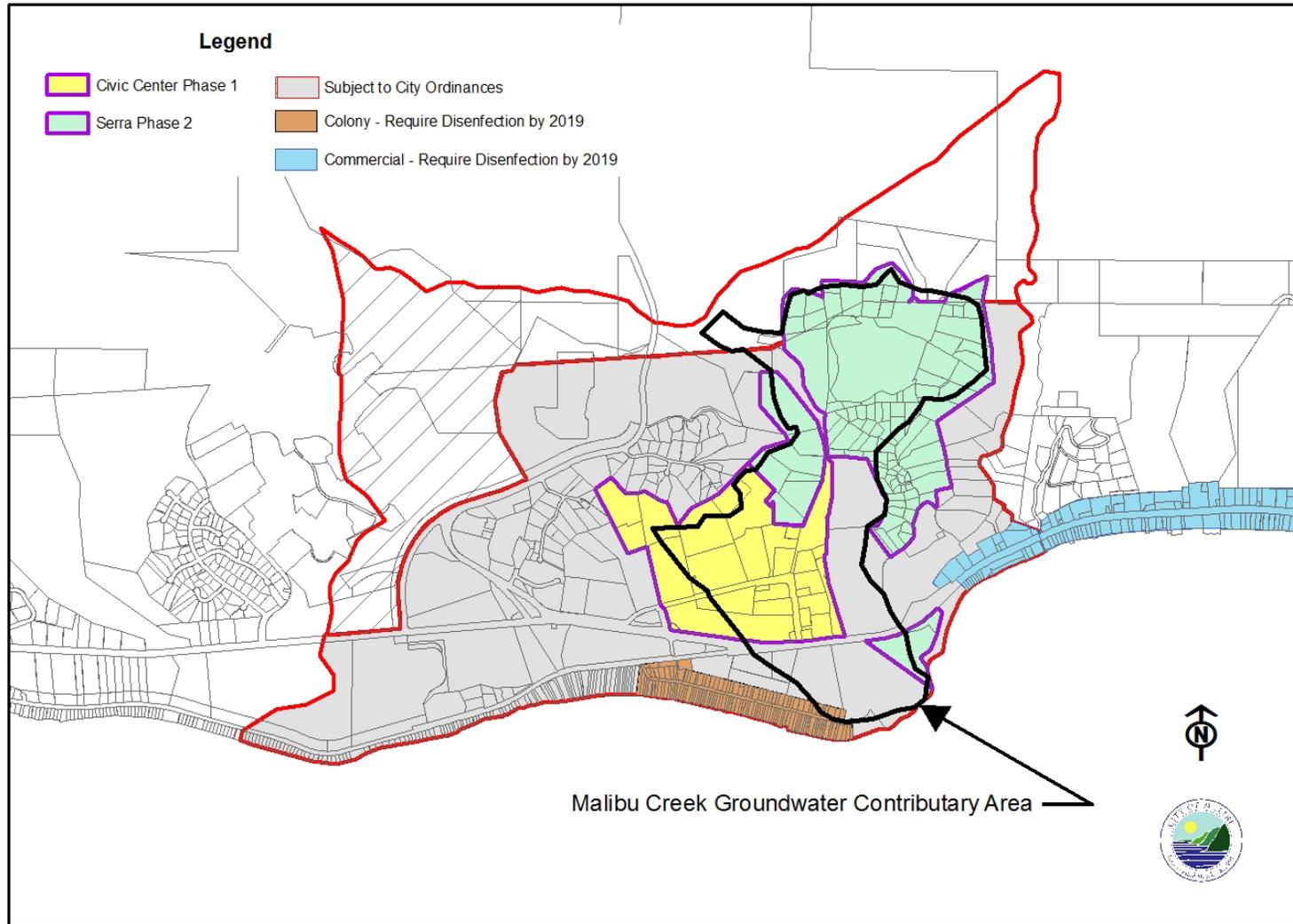


Jim Thorsen
City Manager

Enclosures

cc: Mayor Wagner and Honorable Members of the Malibu City Council
Christi Hogin, City Attorney
Bob Brager, Public Works Director
Vic Peterson, Environmental and Community Development Director

**City of Malibu
Civic Center Wastewater Treatment Plan
(Treatment and Ordinance Areas)**



2/26/10

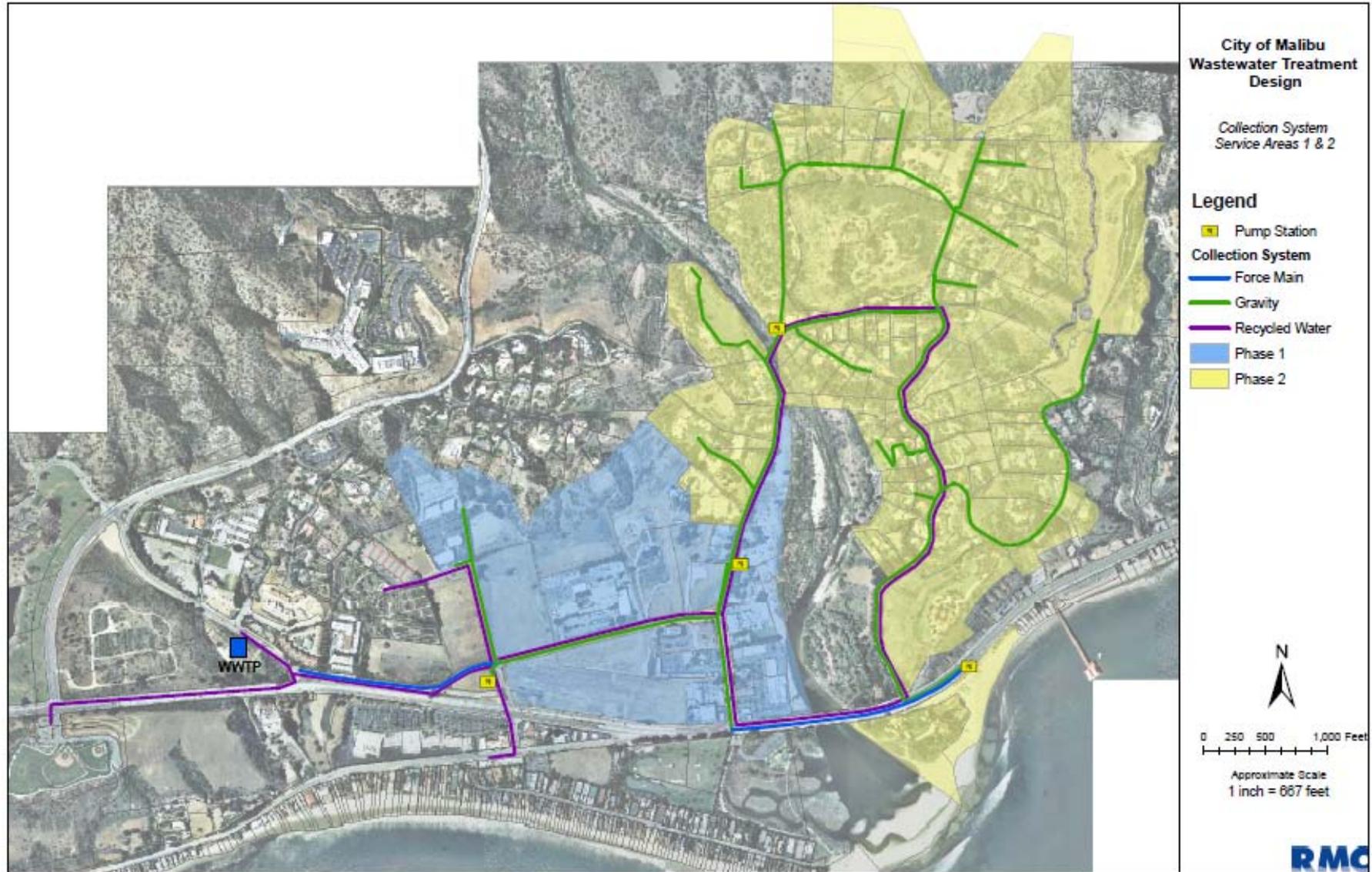


Exhibit 2: Collection System and Return System

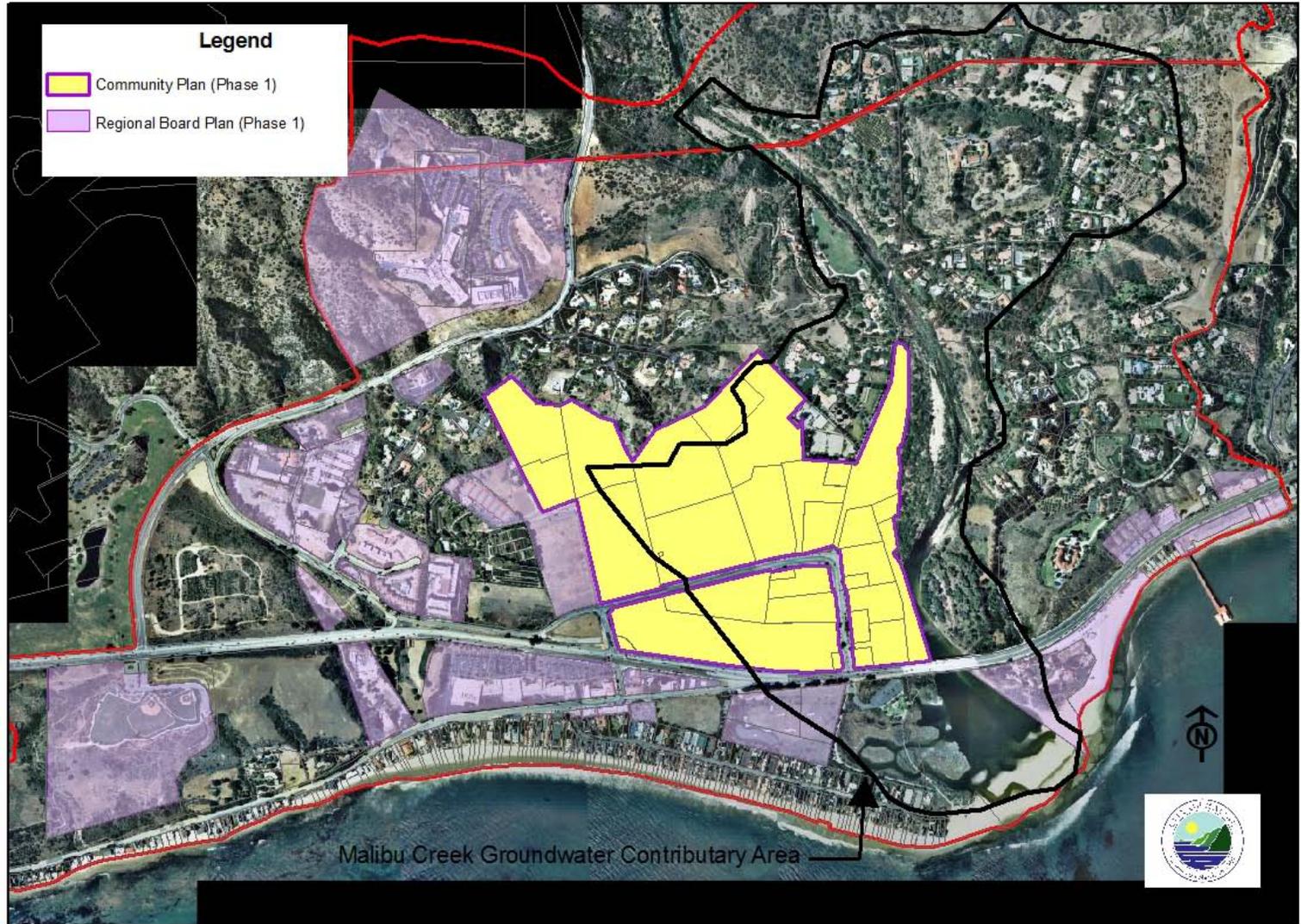
City of Malibu Membrane Bio-Reactor (MBR) Tertiary WWTP



Exhibit 3: Site Plan

Wastewater Flows (Gallons per Day)	City Plan	RWQCB Plan
Phase 1 & 2 (Ultimate build out)	260,700	599,850
Reuse and Dispersal Capacities		
Reuse around Civic Center	145,200	145,200
Reuse to Pepperdine	100,000	100,000
Est. Winter Canyon groundwater dispersal potential	110,000	110,000
Total Reuse and Dispersal Capacity	355,200	355,200
Water Balance * It is likely the RWQCB will require up to 100% additional capacity for future dispersal area	35% Excess Capacity*	244,650 gpd Shortfall

Civic Center Wastewater Treatment Plan Regional Board VS Community Plan (Phase 1)



Civic Center Wastewater Treatment Plan Regional Board VS Community Plan (Phase 2)

