



Matthew Rodriguez
Secretary for
Environmental Protection



Department of Toxic Substances Control

Deborah O. Raphael, Director
5796 Corporate Avenue
Cypress, California 90630



Edmund G. Brown Jr.
Governor

Sent Via E-mail

December 31, 2012

Ms. Yvonne Meeks
Portfolio Manager – Site Remediation
Pacific Gas and Electric Company
4325 South Higuera Street
San Luis Obispo, CA 93401

**SECOND EXTENSION REQUEST FOR INTERMEDIATE (60%) GROUNDWATER
REMEDY DESIGN AT PACIFIC GAS AND ELECTRIC COMPANY (PG&E), TOPOCK
COMPRESSOR STATION, NEEDLES, CALIFORNIA (EPA ID NO. CAT080011729)**

Dear Ms. Meeks:

The Department of Toxic Substances Control (DTSC) received the November 30, 2012 letter from PG&E requesting a second extension for the submission of the intermediate (60%) groundwater remedy design. In the letter, PG&E requested an additional six month extension to evaluate an alternate freshwater source and incorporate the results into the 60% design. DTSC is aware that PG&E's current three month extension for the design will expire on January 4, 2013.

In evaluating PG&E's extension request, DTSC notes that there are two issues associated with the extension request. One issue is the pending decision from the California State Water Resources Control Board (State Board) on PG&E's request to inject imported groundwater from the HNWR-1 well location in Arizona into a California aquifer with concentrations of arsenic above the California Maximum Contaminant Level (MCL) standard. The second issue is related to the approval and the necessary time required to complete the proposed investigation work at three alternative freshwater source locations identified in the November 16, 2012 Implementation Plan for Evaluation of Alternative Freshwater Sources.

DTSC firmly believes the protection of the Colorado River water quality and the restoration of a beneficial groundwater aquifer through a rapid and permanent remediation of the hexavalent chromium plume is our highest priority. Over the years, the environmental investigation and cleanup of the PG&E Topock Compressor Station project has successfully overcome many technical and scheduling challenges through the partnership, commitment, and innovation of the participating stakeholders and Native American Tribal Nations. Although DTSC continues to advocate the need for PG&E to carefully evaluate the water source and agrees that the use of high quality injection water is an integral and necessary component of the selected remedy to control the hydraulic movement of the hexavalent chromium plume, DTSC believes it is necessary for PG&E to implement a different approach to expedite the current evaluation process and complete the groundwater remedy design.

With respect to the pending decision from the State Board, DTSC notes that the Arizona groundwater likely originates from the Sacramento Wash and is not the same source as the receiving water in California. Therefore, it is rightly an important decision from the State Board on the appropriateness of injecting water from one side of the Colorado River to another even when the Regional Water Quality Control Board has opted to abstain from approving this request. DTSC, however, is disappointed that PG&E is unable to yield a tentative resolution date after three months of discussion with the State Board. Equally concerning is that DTSC learned in our telephone conversation of December 20, 2012 that PG&E has engaged the State Board only on the "concept" of injecting water with arsenic above the California MCL, but did not request from them the identification of maximum allowable concentration limits if an approval is pending. DTSC believes these quantifiable limits are crucial to the monitoring and design of the contingency plan for the freshwater supply and thus critical to the overall remedy design and schedule. Therefore, if the State Board is considering approval of injection of water with arsenic above the established MCL criteria, DTSC requests to take part in discussions regarding quantifiable limits with PG&E and the State Board.

As for the alternative source water location implementation plan, DTSC has discussed the three proposed study areas (Sites A, B and C) with the Fort Mojave Indian Tribe and the Hualapai Tribe, Metropolitan Water District, as well as the Department of the Interior. DTSC understands that the Tribes have significant concerns over the cultural resources at, or near, Site C in California. DTSC also learned that the area is designated by the Bureau of Land Management as an Area of Critical Environmental Concern. Moreover, DTSC received communication from a representative of the property owner on whose land PG&E has planned much of the material staging and water disposal activities at Site C. In our communication, the representative stated that the land was given to them in trust and the board of trustee have met and decided that it was not within their interest to allow PG&E the use of that land. Although PG&E, DTSC and the Department of Interior (DOI) will still need to work through comments received

on the alternative freshwater source implementation plan, DTSC has determined that exploratory work at or around the vicinity of the geophysical survey area at Site C will not be approved. Therefore, potential installation of exploratory wells will be limited to the remaining two sites (A and B) north of the existing HNWR-1 well location in Arizona.

With the above uncertainties and the potential for expenditure of significant time to resolve these issues, DTSC proposed during the telephone conference with PG&E on December 20, 2012, to decouple the intermediate design from these issues. DTSC believes that this approach is appropriate because all remedial infrastructures, flow rates, and controls south of the HNWR-1 well location coming across California will remain virtually identical regardless of the fresh water source. DTSC further proposed that PG&E include the design of an arsenic pretreatment system in the 60% design while pursuing the alternative source water location to be submitted as a separate design module. DTSC firmly believes that by implementing this dual track approach, PG&E will maintain progress of this project. PG&E, however, rejected this proposal as confusing and inefficient. Instead, PG&E requested that DTSC provide an interim extension beyond January 4, 2013 until additional progress can be made on the fresh water issues above.

Subsequent to the December 20, 2012 discussion with PG&E, DTSC has internally deliberated this matter with Director Deborah Raphael and Deputy Director Stewart Black. DTSC decided that it was not in the best interest of keeping the project moving forward to provide an interim extension to PG&E. Furthermore, DTSC believes that the six months extension to submit the 60% design is excessive when there is little certainty of the results from the fresh water source evaluation or the State Board's decision. Therefore, DTSC is directing PG&E to bifurcate the submission of the fresh water source details from the rest of the 60% design. PG&E shall submit the 60% design for all aspects of the remedy south of the HNWR-1 well for fresh water, including the design of a pre-treatment system for polishing Arizona groundwater to California standards prior to injection for the purpose of the remedy. PG&E shall submit this 60% design no later than April 5, 2013. PG&E may complete the freshwater source evaluation implementation plan, excluding Site C, and proceed with testing for an alternative fresh water source, if appropriate, following separate DTSC approval of the Implementation Plan for Evaluation of Alternative Freshwater Sources. PG&E shall submit an intermediate design addendum with the fresh water source details, including, but not limited to well design, piping route, monitoring and contingency plan within 45 days of completion of the implementation plan, but no later than the 90% design submission date for all other aspects of the remedy.

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Finally, in the event that the State Board is able to render a favorable discharge decision with specific discharge limits and compliance standards for the injection wells before the due date of the 60% design, DTSC will agree to reconsider our direction above.

Sincerely,

A handwritten signature in blue ink that reads "Karen Baker". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Karen Baker, Chief, CHG, CEG
Geological Services Branch

aky: 121202B

cc: Stewart W. Black, P.G.
Deputy Director
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PG&E Topock Consultative Workgroup Members – Via e-mail

PG&E Topock Geo/Hydro Technical Workgroup Members – Via e-mail

Tribal Representatives in PG&E Contact List – Via e-mail

Technical Review Committee – Via e-mail