

Lahontan Regional Water Quality Control Board

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SATISFACTION OF BOARD ORDER R6V-2012-0013 FOR SUPPLEMENTAL ENVIRONMENTAL PROJECT, HINKLEY ELEMENTARY/MIDDLE SCHOOL PERMANENT WATER SUPPLY

This letter serves as a satisfaction of order for completion of a supplemental environmental project (SEP) for the Hinkley Elementary/Middle School Permanent Water Supply, under Board Order No. R6V-2012-0013.

Background

On March 14, 2012, the California Regional Water Quality Control Board, Lahontan Region, accepted a Settlement Agreement and Stipulation as part of a settlement of an enforcement action against PG&E. Board Order No. R6V-2012-0013 included credit for a SEP in the amount of \$1.8 million from an administrative civil liability amount totaling \$3.6 million.

The SEP proposed by PG&E was to provide a new permanent water supply for the Hinkley Elementary/Middle School at 37600 Hinkley Road in Hinkley, California. The source of the new water supply was originally proposed to come from water supply wells already in place and located south of the Hinkley Compressor Station at 35863 Fairview Road. The SEP included planning, permitting, construction and maintenance of new facilities. The SEP completion date was set at December 31, 2017.

Tasks Completion

According to the July 24, 2015 SEP Final Report (Report) prepared by Pivox, PG&E certifies that the SEP has been completed in accordance with the terms of the Settlement Agreement and Stipulation.

The following tasks shown in the Schedule for Performance table below were completed by the dates shown:

| Task No. | Task | Date Completed |
|----------|---------------------------------------------------------------|------------------------------------------------------------------------------|
| 1 | CEQA exemption by county | August 9, 2012 |
| 2 | Project design | 4 th quarter 2012 |
| 3* | Install two new water supply wells and 3,600 feet of pipeline | 4 th quarter 2014 |
| 4 | Submittal progress reports | Quarterly from 2 nd quarter 2012 to 2 nd quarter 2015. |
| 5 | New water supply infrastructure upgrades | 1 st quarter 2015 |
| 6 | Provide project inspection by Water Board staff | Feb. 21, 2015 |
| 7 | New water supply start-up/testing | 2 nd quarter 2015 |
| 8 | Final water supply permitting | 2 nd quarter 2015 |

*task was not in original proposed project

The SEP included a supplemental task for installing two new water supply wells, located at 35729 Dixie Road, following determination by San Bernardino County Department of Public Health that the original proposed water supply wells were unacceptable due to an arsenic wellhead treatment system in place. The report contains water quality testing results showing the new permanent water supply for the Hinkley School meets state and federal drinking water standards for all regulated constituents. The new water supply system can provide the Hinkley School with an average daily demand of 11 gallons per minute. The facilities have been turned over to the Barstow Unified School District which is responsible for long-term maintenance at the Hinkley School. PG&E shall be responsible for long-term maintenance of water supply wells and pipelines on PG&E-owned property.

SEP Expenditures

Appendix F in the Report contains a certified statement by PG&E's project manager documenting SEP expenditures. The table of SEP Major Expenditures shows that nearly \$1.3 million was spent on completing tasks in the original proposed SEP. An additional \$1.03 million was spent on supplemental actions to complete the SEP, including installation of two new water supply wells and 9,600 feet of pipeline to connect to the compressor station pipeline. The amount spent on the SEP totaled \$2.32 million. This amount exceeds the SEP minimum amount of \$1.8 million.

Project Completion

The Water Board notes that the SEP was completed more than two years ahead of the December 31, 2015, completion date due, in part, to San Bernardino County's determination that the project was exempt from compliance with CEQA. Therefore, based upon the completion of SEP tasks before the final completion date and the expenditure of at least \$1.8 million, I find that PG&E has completed the SEP and satisfied the Settlement Agreement and Stipulation under Board Order No. R6V-2012-0013.

If you have any questions, you may contact me at (530) 542-5412 (patty.kouyoumdjian@waterboards.ca.gov) or Lisa Dernbach, Senior Engineering Geologist at (530) 542-5424 (Lisa.Dernbach@waterboards.ca.gov).



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EXECUTIVE OFFICER

cc: PG&E Lyris list
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