



Media Release

Lahontan Regional Water Quality Control Board
2501 Lake Tahoe Boulevard, South Lake Tahoe, California 96150
Phone (530) 542-5400 □ Fax (530) 544-2271
<http://www.waterboards.ca.gov/lahontan>

Lahontan Regional Water Board and ARCO Settle Leviathan Mine Superfund Lawsuit

For Immediate Release
April 3, 2015

Contact: Scott Ferguson
(530) 542-5432

The Lahontan Regional Water Quality Control Board and other state agencies have settled a lawsuit with Atlantic Richfield Company (ARCO) over costs and activities associated with cleanup of the Leviathan Mine Superfund Site located in Alpine County.

The settlement identifies what work ARCO and the Lahontan Water Board will conduct at the site going forward, and lays out the cost-sharing formulas for different phases of work that will cleanup and reduce acid drainage. The settlement also secures long-term funding for a cleanup project that could take decades, if not centuries to complete.

With a mining past dating to the 1860s for copper minerals, and sulfur in the 1950s and '60s, the Leviathan Mine has contributed to the discharge of acid drainage into Leviathan and Aspen creeks that flow through the site. If left untreated, these discharges from the mine can harm fish and other aquatic life. Since California took over the site in 1984, cleanup efforts have significantly reduced the amount of contamination that enters the creeks and ecological systems downstream of the mine, located 24 miles southeast of Lake Tahoe. However, further cleanup work is needed as ongoing investigations are evaluating the risks to human health and the environment.

“Since stepping in as a Good Samaritan in the 1980s, the regional board has worked tirelessly to cleanup this Superfund Site to protect public health, the environment and water quality,” said Patty Kouyoumdjian, executive officer for the Lahontan Regional Water Board. “After lengthy negotiations, we have reached a settlement that spells out a shared responsibility for cleaning up Leviathan Mine, with ARCO carrying the lion’s share of the costs. We are pleased to reach this mutual agreement so that we can focus on long-term cleanup and protection of our environment.”

Originally owned by the Anaconda Company during its open pit sulfur mining activities in the '50s and '60s, the Anaconda Company was bought by ARCO in 1977, which inherited the environmental liabilities associated with Leviathan Mine. The State Water Board then purchased the site from a private citizen in 1984 to facilitate construction and operation of a pollution abatement project.

ARCO sued the Lahontan Water Board and other state agencies in 2007 for, among other claims, breach of contract over a 1983 settlement agreement between ARCO and the Lahontan Water Board. In the 1983 agreement, the Lahontan Water Board accepted \$2.37 million from ARCO to assist in construction of the abatement project at the mine. In its 2007 lawsuit, ARCO argued that the 1983 settlement released ARCO from liability and made the State of California responsible for all future cleanup costs. The state agencies vigorously disputed the ARCO claims, and argued, among other things, that the agreement did not relieve ARCO from liability for cleanup actions required by the U.S. Environmental Protection Agency.

Starting in 1998, the U.S. Environmental Protection Agency ordered ARCO and the Lahontan Water Board (starting in 2000) to conduct additional response actions at the mine, which is now on the country's list of most contaminated places, known as Superfund sites. The EPA has also ordered ARCO to conduct a remedial investigation and feasibility study (RI/FS) that will identify the extent of contamination, the risk to human health and the environment, and alternatives for cleaning up the site to reduce risks to acceptable levels.

The newly-signed agreement requires ARCO to complete the study and fund the majority of that work, with some costs shared by the Lahontan Water Board. Once the study is complete, the EPA will select a final remedy for the site.

Per the settlement agreement, the Lahontan Water Board will design and construct the remedy, and ARCO will pay 75 percent of the cost to complete it. ARCO will also pay 70 percent of the Lahontan Water Board's costs for operating and maintaining the remedy over the long term.

The final cleanup project is expected to reduce acid mine drainage and waste detrimental to people, fish and other ecological receptors, but some acid drainage treatment is expected to continue well into the future. The Lahontan Water Board and ARCO have collectively spent roughly \$100 million on cleanup activities at the mine so far.

To review the settlement agreement visit the Lahontan Water Board webpage:

http://www.waterboards.ca.gov/lahontan/water_issues/projects/leviathan_project/docs/leviathan_settlement.pdf

###