
Lahontan Regional Water Quality Control Board

December 8, 2015

To the Parties:

**REQUEST TO EXTEND COMMENT PERIOD FOR PROPOSED
CLEANUP AND ABATEMENT ORDER (CAO): SEVEN SPRINGS
LIMITED PARTNERSHIP AND FOX CAPITOL MANAGEMENT, SOUTH
LAKE TAHOE, EL DORADO**

I received a December 7, 2015 letter from the Prosecution Team for the Lahontan Regional Water Quality Control Board (Water Board) requesting additional time for Parties to submit public comments on the proposed CAO. The proposed CAO requires Seven Springs Limited Partnership and Fox Capitol Management to cleanup discharges of solvent wastes to groundwater from the former Lake Tahoe Laundry Works Laundromat in South Lake Tahoe. I am granting a one month extension until January 15, 2016 to afford all interested parties more time to provide comments and technical information on this complex cleanup site.

Please send all comments to RB6enfproceed@waterboards.ca.gov. If you have any questions regarding this extension letter please contact me at (530) 542-5412 or Doug Smith, Water Board Advisory Team member, at (530) 542-5453.

Original Signed By

PATTY Z. KOUYOUMDJIAN
EXECUTIVE OFFICER

Enclosure: Extension Request (December 7, 2015)

cc: Mailing List

Lahontan Regional Water Quality Control Board

December 7, 2015

Ms. Patty Kouyoumdjian, Executive Officer
Lahontan Regional Water Quality Control Board
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South Lake Tahoe, CA 96150
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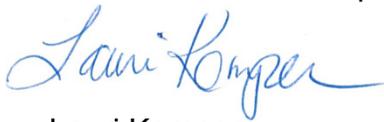
Request to Extend the Comment Period for the Proposed Cleanup and Abatement Order, Requiring Seven Springs Limited Partnership and Fox Capital Management Corporation, to Clean Up and Abate the Discharge and Threatened Discharge of Chlorinated Hydrocarbons to the Groundwaters of the Lake Tahoe Hydrologic Unit at 1024 Lake Tahoe Boulevard, South Lake Tahoe, El Dorado County

The Lahontan Regional Water Quality Control Board (Water Board) Prosecution Team issued the Proposed Cleanup and Abatement Order (CAO) for the above-referenced matter on September 15, 2015, including a deadline for public comments on October 30, 2015. Subsequently, the Water Board's Assistant Executive Officer issued a Revised Request for Comments on a proposed CAO which modified the comment deadline to December 14, 2015. In a letter dated November 24, 2015, Seven Springs Limited Partnership and Fox Capital Management Corporation (Dischargers) submitted a request to extend the comment deadline to January 8, 2016, to provide more time to consider and assess relevant data. A copy of the letter is attached for your reference.¹ Please note, the attached letter also contains technical issues and arguments which will be addressed by the Prosecution Team after the close of the public comment period.

The Proposed CAO incorporates a substantial amount of data and information to support the findings and requirements, including a compilation and analysis of relevant water quality monitoring results as identified in Findings 9 through 17 of the Proposed CAO. Based on the complexity of the issues and volume of information related to this site, the Prosecution Team supports the Dischargers' request for additional time to analyze the technical information and formulate a response to rebut the Prosecution Team's contentions in the Proposed CAO.

¹ Note that the November 24, 2015 letter from Mr. William Tarantino is marked "Confidential Settlement Communication." However, representatives from both Seven Springs and Fox gave their verbal consent to transmitting a copy of this letter to the Advisory Team in a phone conversation dated December 2, 2015.

It remains the Prosecution Team's position that the requirements in the Proposed CAO are appropriate and necessary for the protection of water quality, including the requirement to evaluate the effectiveness of containment of the SVE/AS remediation system post-implementation. The Prosecution Team is receptive and open to the Dischargers proposing an alternative theory that is supported by technical data to demonstrate that it is more likely than not that PCE is contained on-site and is not presently migrating off-site. In an effort to work collaboratively with the Dischargers to provide the Advisory Team with the most comprehensive technical information for contentions in the Proposed CAO, the Prosecution Team recommends that the Advisory Team extend the comment period deadline no later than January 15, 2016, to allow the Dischargers additional time to submit comments to rebut the Prosecution Team's contentions in the Proposed CAO.



Lauri Kemper
Chief of Water Board Prosecution Team
Assistant Executive Officer

Enclosure: Lake Tahoe Laundry Works Request for Extension Letter

cc (via email):

- Commerce Bank
- Fox Capitol
- City of South Lake Tahoe
- El Dorado County, Dept of Environmental Health
- South Tahoe PUD
- Lukins Brothers Water Company
- PES Environmental
- E2C Remediation
- Morrison & Foerster
- EKI
- SWRCB, Office of Enforcement

November 24, 2015

Writer's Direct Contact
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CONFIDENTIAL SETTLEMENT COMMUNICATION

by electronic mail

Mayumi E. Okamoto
State Water Resources Control Board
Office of Enforcement
1001 "I" Street, 16th Floor
Sacramento, California 95814

Re: Request for extension to public comment period for Lake Tahoe Laundry Works draft Cleanup and Abatement Order

Dear Ms. Okamoto:

At the conclusion of last week's November 18, 2015 meeting between the Lahontan Regional Water Board (the "Water Board"), including counsel Vanessa Young, and Seven Springs Limited Partnership ("Seven Springs") and Fox Capital Management Corporation ("Fox"), Water Board staff said that they would consider an extension to the public comment period regarding the draft Cleanup and Abatement Order ("CAO") that names Seven Springs and Fox as responsible parties for solvent discharges from the former Lake Tahoe Laundry Works laundromat ("LTLW") given the valuable discussion and new information brought to light at the meeting, and asked that Seven Springs and Fox submit a formal, written request for the extension. By this letter, Seven Springs and Fox seek to continue the productive dialogue that began at the November 18 meeting, and also to request an extension to the public comment period from the existing deadline of December 14, 2015 to January 8, 2016.

Seven Springs and Fox need additional time to consider and analyze the new information discussed by all parties at the meeting, most notably the following:

- **Potential impacts to Off-Site Well 1 ("OS-1") from LTLW.** Staff for the Water Board allege that data from OS-1 indicate that groundwater at OS-1 is being contaminated by solvent discharges from LTLW. Staff bases this conclusion, in part,

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on a comparison of reduction in PCE levels at OS-1 to a reduction of PCE levels at on-site LTLW monitoring wells due to remedial activities undertaken at LTLW.

Seven Springs and Fox dispute this allegation and presented evidence at the November 18 meeting that PCE levels measured at OS-1 are not due to a discharge of solvents from LTLW. An analysis of variation in PCE levels over time at OS-1 shows that PCE spikes at the well do not correspond with temporary shutdowns of the LTLW soil vapor extraction / groundwater air sparge system (“SVE/GASS”), as assumed by Water Board staff. Moreover, PCE measurements from LTLW perimeter wells LW-MW-5S and LW-MW-13S (in the north and northeast of the site, the direction of OS-1) demonstrate that the PCE plume has been contained on the LTLW site. Both wells are at and have consistently shown PCE levels below or close to the PCE maximum contaminant level. In contrast, PCE levels at OS-1 are higher and have been above the maximum contaminant level for over four years.

Water Board staff indicated in the November 18 meeting that PCE-affected groundwater may be impacting the groundwater at OS-1 at locations not monitored by the existing network of groundwater monitoring wells at LTLW. Seven Springs and Fox dispute this allegation and based on the area of remediation conducted at LTLW contend that the groundwater samples collected from the perimeter wells, LW-MW-5S and LW-MW-13S, are representative of groundwater at the LTLW property boundary. In order to better understand groundwater conditions at the perimeter of LTLW, Water Board staff requested information regarding the radius of influence (“ROI”) of the existing SVE/GASS currently operating at LTLW.

In response to the showing by Seven Springs and Fox that PCE impacts at OS-1 are not associated with solvent discharges from LTLW, Water Board staff suggested that there may be a narrow groundwater plume running between perimeter wells LW-MW-5S and LW-MW-13S, escaping observation by those wells. Given this new information, the request for ROI of the SVE/GASS, and as the impacts to OS-1 appear to be integral to the basis for the draft CAO, Seven Springs and Fox request additional time to assess staff’s theory and to compile, analyze, and present data or an alternate approach to address the Water Board’s concerns regarding on-site containment.

- **Potential impacts to middle groundwater zone from LTLW.** Staff for the Water Board allege that LTLW is responsible for off-site PCE impacts, which Seven Springs and Fox note is present in the middle groundwater zone, rather than in the shallow groundwater zone where LTLW impacts have been detected.

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Specifically, measurements of PCE in the middle groundwater zone, taken from on-site wells and from wells beneath Lake Tahoe Boulevard, show that middle zone PCE concentrations are generally low to very low, with a concentration of 137 ug/L PCE immediately beneath the suspected source of PCE at the LTLW site. In stark contrast, measurements of PCE in the middle groundwater zone taken from wells immediately to the north of Lake Tahoe Boulevard show PCE at significantly higher levels: up to 4,700 ug/L beneath the Big O Tire site and up to 3,000 ug/L beneath the Lakeside Napa Auto site. These results are indicative of a PCE source north of Lake Tahoe Boulevard, not migration of an LTLW source.

Given the above, and in response to the Water Board's request for additional information regarding middle groundwater zone impacts, Seven Springs and Fox request additional time to assess data from on-site as well as off-site locations. In addition, Seven Springs and Fox will seek to coordinate with Environmental Engineering, Consulting & Remediation, Inc. ("E2C"), the firm responsible for ongoing LTLW remediation, regarding available and relevant data.

- **Ongoing Water Board PCE investigation in South Lake Tahoe.** At the November 18 meeting, Water Board staff suggested that Seven Springs and Fox, under the draft CAO, would be responsible for an investigation of groundwater contamination the scope of which would potentially include an area between the LTLW site and up to the location of the PCE-contaminated private wells on Eloise Avenue. This anticipated investigation area overlaps significantly with the scope of the PCE investigation currently being conducted by the Water Board, as depicted in the URS work plan for the investigation dated October 8, 2015 and provided to Seven Springs and Fox on November 16, 2015. Furthermore, although not mentioned explicitly in the October 8 work plan itself, the LTLW site is identified in Figure 1 to the work plan as the only "Known PCE Source" in a map depicting the investigation area.

Water Board staff also advised that, as part of the ongoing PCE investigation, groundwater samples would be analyzed for evidence of hydrocarbon contamination for the purpose of potentially linking any detected PCE and hydrocarbon contamination to potential sources downgradient of the LTLW.

Water Board staff confirmed that the final report for the PCE investigation will not be available to the public until around January 2, 2016, nearly three weeks after the current deadline for comments on the draft CAO. Given the possibility that the Water Board's ongoing PCE investigation will reveal information relevant to the PCE investigation by Seven Springs and Fox currently envisioned by the draft CAO, as explained briefly above, Seven Springs and Fox request the brief period between

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January 2, 2016 and January 8, 2016 to consider the results and the analysis provided in the forthcoming PCE investigation report.

At the November 18 meeting, in light of the new information brought forward by all parties, the Water Board staff requested additional evidence of existing conditions at the LTLW site and whether PCE has been contained at the site as argued by Seven Springs and Fox. In response, Seven Springs and Fox request an extension of the public comment deadline to January 8, 2016 so as to allow more time to consider and assess relevant data given the new information, the request for additional information, and the important issues highlighted at the meeting.

Sincerely,



William F. Tarantino

cc: Vanessa Young
Scott H. Reisch (representing Fox)

Lahontan Regional Water Quality Control Board

September 29, 2015

INTERESTED AGENCIES AND PARTIES:

REVISED REQUEST FOR COMMENTS – PROPOSED CLEANUP AND ABATEMENT ORDER, REQUIRING SEVEN SPRINGS LIMITED PARTNERSHIP AND FOX CAPITAL MANAGEMENT CORPORATION, TO CLEAN UP AND ABATE THE DISCHARGE AND THREATENED DISCHARGE OF CHLORINATED HYDROCARBONS TO THE GROUNDWATERS OF THE LAKE TAHOE HYDROLOGIC UNIT, AT 1024 LAKE TAHOE BOULEVARD, SOUTH LAKE TAHOE, EL DORADO COUNTY

The California Regional Water Quality Control Board, Lahontan Region (Water Board) intends to issue a Cleanup and Abatement Order (CAO) by the end of the year. The CAO names Seven Springs Limited Partnership and Fox Capital Management Corporation (collectively referred to as “Dischargers”) as responsible parties for discharges of solvent wastes from the former Lake Tahoe Laundry Works Laundromat to groundwater. The discharges have resulted in violations of prohibitions contained in the Water Board’s Water Quality Control Plan.

The Water Board is requesting your review and comments upon the proposed CAO (enclosed). The proposed CAO can also be viewed at the Water Board's webpage at <http://www.waterboards.ca.gov/lahontan>.

All comments regarding the proposed CAO must be received by the Water Board by ~~October 30, 2015, 5:00 p.m.~~ **December 14, 2015, 5:00 p.m.** Please send your comments to:

Sue Genera, Executive Assistant
Lahontan Regional Water Quality Control Board
2501 Lake Tahoe Blvd.
South Lake Tahoe, CA 96150

Alternatively, you may electronically submit comments (**Subject Line: Lake Tahoe Laundry Works’ CAO Comments**) to: RB6enfproceed@waterboards.ca.gov.

The Cleanup and Abatement Order is being issued in response to recent detections of tetrachloroethene or PCE in groundwater at nearby off-site locations in South Lake Tahoe. The proposed CAO requires the Dischargers to (1) contain the plume migration on-site so as to prevent further adverse impacts to water supply wells and other receptors, (2) conduct off-site investigations to define the lateral and vertical extent of

solvents in groundwater, (3) actively clean up and abate on-site soil, soil gas, and groundwater contamination, (4) propose and implement off-site groundwater containment and remediation, and (5) conduct related monitoring and reporting actions. These actions are needed to protect existing and potential beneficial uses, including the restoration of the drinking water aquifer to levels safe for human consumption.

If you have questions or comments regarding this matter, please contact me at (530) 542-5436 or Lisa Dernbach at (530) 542-5424.

LAURI KEMPER, P.E.
ASSISTANT EXECUTIVE OFFICER

File: SCP, El Dorado Co, T6S043