From: Jennifer Lukins
To: Lahontan

Cc: Todd Robins; Jed Borghei; Grey, Brian@Waterboards; Cazier, Abby@Waterboards

Subject: Lake Tahoe Laundry Works' Proposed CAO Comments – Lukins Brothers Water Company

Date: Friday, September 16, 2022 3:20:49 PM

Attachments: 20220916151844.pdf

EXTERNAL:

Please see the attached letter on behalf of Lukins Brothers Water Company.

Thank you,

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Jennifer Lukins Lukins Brothers Water Company, Inc. (530) 541-2606

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LUKINS BROTHERS WATER COMPANY, INC.

SINCE 1947

September 16, 2022

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

RE: REQUEST FOR COMMENTS – CLEANUP AND ABATEMENT ORDER NO.

R6T - 2022 - (PROPOSED)

Dear Ms. Fleshman,

Lukins Brothers Water Company, Inc. (LBWC) hereby submits the following comments on the Lahontan Regional Water Quality Control Board's ("Water Board") Cleanup and Abatement Order No. R6T – 2022 – (Proposed) (hereafter "Proposed CAO").

As noted in the Proposed CAO, LBWC is one of three municipal water providers impacted by the regional perchloroethylene (PCE) groundwater plume emanating from the Lake Tahoe Laundry Works (LTLW) site. As an injured party, LBWC broadly supports the Proposed CAO's finding that LTLW is a source of the regional PCE plume and resulting directives to the LTLW Dischargers to remediate the plume and compensate LBWC and the other water providers for their replacement water damages.

In the comments that follow, LBWC proposes several minor clarifications that should be made to the Proposed CAO before it is finalized. These clarifications would remove a potential source of future conflict between the municipal water providers and the LTLW Dischargers, thereby ensuring that the LTLW Dischargers remain responsible for all replacement water costs the water providers have incurred, and will incur, to address the contamination of their groundwater supplies while continuing to provide the public with safe drinking water.

Comments on the Proposed CAO's Replacement Water Order

The existing language in the Proposed CAO directs the LTLW Dischargers to submit an Interim Emergency Water Replacement Plan, followed by a Permanent Water Replacement Plan, that provides for "long term uninterrupted wellhead treatment and/or replacement water service (provision of or payment for) to each affected water district . . . including those removed from service and/or destroyed due to PCE impairment (i.e. lost and/or reduced well yield shall be replaced/restored)."

As set forth in the Water Board's Staff Report Supporting the Proposed CAO (Staff Report), LBWC deactivated and destroyed three of its wells – Wells 2, 3 and 4, which each produced up to 250 gallons per minute (gpm) of water – because they were impaired by the regional PCE

plume. Additionally, as a result of the installation of a granular activated carbon (GAC) wellhead treatment system to remove PCE from LBWC Well 5, the maximum production from that well also has been reduced from 1,000 to 720 gpm. LBWC appreciates that the Proposed CAO explicitly directs the LTLW Dischargers to compensate LBWC for these well yield losses.

Beyond reduced capacity, the regional PCE plume has imposed additional replacement water costs on LBWC that are not explicitly referenced in the Proposed CAO. As noted in the Staff Report, once the regional PCE plume impaired LBWC Wells 2 and 5 in 2014, LBWC was forced to purchase emergency replacement water from South Tahoe Public Utility District in order to meet customer demand (as LBWC has only one remaining well, Well 1, that is not contaminated with PCE). LBWC's emergency replacement water purchases continued for seven years until LBWC's new Well 5 GAC facility became operational in 2021, and cost LBWC a total of \$284,050.

LBWC also incurred significant costs to design, construct and operate its Well 5 GAC treatment plant and will incur significant costs to operate and maintain it into the future. As noted in the Staff Report, LBWC obtained Proposition 1 and Proposition 68 grant funds to design and construct the facility, but LBWC's funding agreement with the State Water Resources Control Board's Division of Financial Assistance provides, among other things, that LBWC "exercise reasonable efforts to recover the costs of groundwater cleanup from the parties responsible for the contamination." Accordingly, payment of these costs by the LTLW Dischargers should be an explicit component of the final CAO. Further, since the Well 5 GAC facility went online in July 2021, LBWC has directly incurred, and will continue to incur, ongoing costs to operate it, which includes, among other items, carbon replacement and maintenance costs as well as additional labor, power and laboratory charges.

Water Code section 13304(a) – which provides the legal basis for the Proposed CAO's replacement water order – empowers the Water Board to issue cleanup and abatement orders that "require the provision of, or payment for, uninterrupted replacement water service, which may include wellhead treatment, to each affected public water supplier or private well owner." Consistent with this statute, LBWC reads the Proposed CAO to already require reimbursement from the LTLW Dischargers to LBWC for all of the above-mentioned replacement water costs.

Nonetheless, to remove any ambiguity and avoid a potential grounds for future conflict between the impacted municipal water providers and the LTLW Dischargers, and because LBWC has already incurred significant interim and permanent replacement water costs that should be subject to reimbursement, LBWC respectfully requests that the Water Board amend the Proposed CAO before it is finalized to explicitly state that reimbursement of the following categories of costs should be included in the LTLW Dischargers' Permanent Water Replacement Plan: (i) reimbursement for replacement water costs already incurred by the municipal water providers, including costs for purchased water and costs to design, construct and operate PCE treatment facilities; and (ii) ongoing reimbursement for the costs to be incurred by municipal water providers to continue operating and maintaining their PCE treatment facilities.

Comments on Tucker Basin and the Proposed CAO's Remedial Action Plan

LBWC appreciates and agrees with the Proposed CAO's finding that PCE from the LTLW site traveled through a stormwater conveyance system to Tucker Basin, which is where the highest PCE concentrations in the regional plume are now found. As previously noted by LBWC's consultant Weiss Associates, the top priority in terms of preventing further migration of, and ultimately containing, the regional PCE plume, should be remedial efforts focused on the Tucker Basin. To that end, the Water Board should ensure that the LTLW Dischargers' Remedial Action Plan include the following items: (i) installation of a well cluster within Tucker Basin to define the hydrogeology of the immediate area; (ii) identification of the areas within the basin that have the highest PCE concentrations; and (iii) remedial measures designed to target these areas of high PCE concentrations in soil and groundwater below and beyond the margins of the basin and prevent further migration of PCE from the area.

In conclusion, LBWC appreciates the Water Board's continued focus on addressing the regional PCE plume and its impacts on the municipal water supply for South Lake Tahoe. We hope our comments will help the Water Board refine its Proposed CAO by reducing the potential for future disagreement regarding the breadth of its replacement water order.

Respectfully submitted,

Jennifer Lukins

Lukins Brothers Water Company, Inc.