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Patty Kouyoumdjian  
Executive Officer  
California Regional Water Control Board, Lahontan Region  
2401 Lake Tahoe Blvd.  
South Lake Tahoe, CA 96150

**Subject: Update on Whole House Replacement Water Program and Documentation of Outstanding Issues on Pacific Gas and Electric's Hinkley Project**

Dear Executive Officer Kouyoumdjian,

The purpose of this letter is to provide an update on Pacific Gas and Electric Company's (PG&E's) whole house replacement water (WHRW) program and to review several outstanding issues that require clarification and/or direction from the Regional Board. We look forward to discussing these issues with you next week. We'll also be prepared to review the maintenance issue experienced at one of the operating WHRW units that Mark Krausse advised you of last week.

PG&E continues to make progress on the installation of the WHRW systems. To date, we have thirty-five (35) signed access agreements. Of these 35, two (2) units were operational as of October 2012, and twenty-one (21) units are placed and awaiting electrical hook-ups. By the end of May 2013, we anticipate having these twenty-one (21) units operational, for a total of 23 units operational. The remaining residents that have signed access agreements have elected to wait for the re-evaluation of the WHRW options as proposed in our February 7, 2013 letter. PG&E would like to point out that installation and start-up testing for the residents that have elected to wait for the re-evaluation will take up to 6 months from the date that the Regional Board responds to our February 7, 2013 modification letter. We also plan to submit preliminary results of our re-evaluation in a technical memorandum later this week to further inform the Regional Board's decision on this issue.

PG&E is firmly committed to maintaining compliance with all Investigative and Cleanup and Abatement Orders and timely addressing community concerns regarding our WHRW and remediation programs. As we have been discussing with you and your staff, there are a number of outstanding issues that require clarification and/or direction from the Regional Board to ensure our compliance and to provide clarity for the general public. We appreciate the Regional Board's commitment to provide timely direction to PG&E on these issues. We previously submitted our requests in letters dated January 10, 2013 (Proposal to Amend Reverse Osmosis and Ion Exchange Leachate Monitoring) and February 7, 2013

(Formal Request for modification of Replacement Water Orders) which the Regional Board put out for public comment through March 20, 2013. Now that the public comment period has closed, we look forward to your response. We would appreciate the opportunity to discuss the public comments and comments provided by the Office of Enforcement prior to your response. In addition to the issues outlined in these two letters, we have also captured other issues that require clarification in the summary table below.

Issue	Purpose of Request	Reference	Action Needed
1. WHRW – Proposed Monitoring Plan Amendment	Batch test resin leachate to reduce intrusiveness of startup testing and ensure consistency of resin quality at change-outs; reduce imposition of bi-weekly sampling of indoor RO units	<ul style="list-style-type: none"> <li>• 1/10/13 Letter</li> <li>• 2/21/13 Public Comment Period</li> </ul>	<ul style="list-style-type: none"> <li>• Approval of batch testing of resin leachate</li> <li>• Approval of updated RO unit sampling schedule</li> </ul>
2. WHRW – Order Modification Requests: Optional ROs	Clarify that residents are not required to have RO units installed	<ul style="list-style-type: none"> <li>• 6/6/12 WHRW FS Appendix D</li> <li>• 2/7/13 Letter</li> <li>• 2/21/13 Public Comment Period</li> </ul>	<ul style="list-style-type: none"> <li>• Approval of program modification to permit residents to decline RO units</li> </ul>
3. WHRW – Order Modification Requests: Bottled Water Quality	Supplying commercially available bottled water satisfies water quality standard for interim replacement water	<ul style="list-style-type: none"> <li>• 2/7/13 Letter</li> <li>• 2/21/13 Public Comment Period</li> </ul>	<ul style="list-style-type: none"> <li>• Modification of replacement water quality standard at Paragraph 1(b) of CAO No. R6V-2011-0005A1 to permit commercially available bottled water to satisfy water quality standard</li> </ul>
4. WHRW – Order Modification Requests: Fixed Buffer Zone	Discontinue expansion of one mile buffer zone; existing buffer zone provides adequate protection against potential plume expansion	<ul style="list-style-type: none"> <li>• 2/7/13 Letter</li> <li>• 2/21/13 Public Comment Period</li> </ul>	<ul style="list-style-type: none"> <li>• Modification of “affected area” definition of Finding 30 of CAO No. R6V-2011-0005A1 and Finding 4 of CAO No. R6V-2011-0005A2 to the current existing depicted program area based on 4Q12 Plume Map</li> </ul>

Issue	Purpose of Request	Reference	Action Needed
5. WHRW - Written Access Agreement	PG&E requires written approval by homeowner to access their property by signature of an unaltered access agreement	<ul style="list-style-type: none"> <li>• 2/28/13 Email</li> <li>• 3/6/13 Telephone calls (counsel)</li> <li>• 3/13/13 Comment at Water Board public meeting</li> </ul>	<ul style="list-style-type: none"> <li>• Clarify for the community that the Regional Board concurs that eligible residents need to sign an unaltered access agreement</li> </ul>
6. WHRW – Compliance Deadline for residents who sign an access agreement after April 1, 2013	There is ambiguity in relation to the term “election.” Although a resident may “elect” WHRW, PG&E is unable to proceed until the resident signs an access agreement. PG&E requests that the compliance deadline for installation of treatment units for residents that elect a WHRW system after April 1, 2013 be defined as six months from the date PG&E receives a signed, unaltered access agreement.	<ul style="list-style-type: none"> <li>• Various discussions</li> </ul>	<ul style="list-style-type: none"> <li>• PG&amp;E requests written confirmation that “election” pursuant to Paragraph 2c of CAO No. R6V-2011-0005A2 is defined as providing PG&amp;E with a signed, unaltered access agreement and that Paragraph 2c applies to residents electing a treatment system after April 1, 2013.</li> </ul>
7. DWSP – Proposal for Sampling of Inactive Domestic Wells	Systematic proposal for management of inactive or nonoperational wells, including process for removal of wells from domestic well sampling program	<ul style="list-style-type: none"> <li>• 3/6/13 Proposal</li> </ul>	<ul style="list-style-type: none"> <li>• Written approval of inactive domestic well sampling protocol</li> </ul>
8. 2008 CAO – Work Plan Approval for Investigation	Northern and eastern area monitoring well locations obviate monthly domestic well sampling for trend analysis for monitoring well placement	<ul style="list-style-type: none"> <li>• 2/22/13 Work Plan</li> <li>• 3/15/13 Work Plan Addendum</li> </ul>	<ul style="list-style-type: none"> <li>• Written approval of work plan and work plan addendum</li> </ul>
9. 2008 CAO - Alternative Compliance Metric Approval Request	Alternative compliance metrics demonstrate inward plume capture	<ul style="list-style-type: none"> <li>• 3/15/13 Report</li> </ul>	<ul style="list-style-type: none"> <li>• Written approval of alternative compliance metric</li> </ul>

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10. Background – Development of Work Plan	Approval of Feb. 22, 2012 work plan for updated background study	<ul style="list-style-type: none"> <li>• 2/22/12 Work Plan</li> <li>• Monthly TWG meetings since 1/2013</li> </ul>	<ul style="list-style-type: none"> <li>• Written approval of phased work plans</li> </ul>
11. AU – Monitoring and Reporting	Completion of baseline sampling at AUs	<ul style="list-style-type: none"> <li>• 2/15/13 Report/proposal</li> </ul>	<ul style="list-style-type: none"> <li>• Written approval of planned sampling and monitoring program</li> </ul>
12. CAO language – provide clarification regarding the 3 year time	Clarification of language in Jan. 8 Order amendment that PG&E “must use data collected within the past three years”	<ul style="list-style-type: none"> <li>• Various discussions</li> </ul>	<ul style="list-style-type: none"> <li>• Clarification of intent of “past three years” language of Paragraph C.2.h. of CAO R6V-2008-0002-A4</li> </ul>

We look forward to discussing these items with you and your staff next week. Please contact me if you have any questions regarding any of these topics.

Sincerely,



Sheryl Bilbrey  
Director of Chromium Remediation