



California Regional Water Quality Control Board Lahontan Region



Linda S. Adams
Secretary for
Environmental Protection

2501 Lake Tahoe Boulevard, South Lake Tahoe, California 96150
(530) 542-5400 • Fax (530) 544-2271
www.waterboards.ca.gov/lahontan

Arnold Schwarzenegger
Governor

November 24, 2010

TO ALL INTERESTED PERSONS:

NOTICE OF PREPARATION OF A DRAFT SUBSEQUENT ENVIRONMENTAL IMPACT REPORT

The California Regional Water Quality Control Board, Lahontan Region (Water Board) is the Lead Agency for the preparation of a Subsequent Environmental Impact Report (SEIR) for the project identified below. We need to know the views of your agency as to the scope and content of the environmental information which is germane to your agency's statutory responsibilities in connection with the proposed project. Your agency will need to use the SEIR prepared by our agency when considering your permit or other approval for the project.

The project description, location, and the potential environmental effects are contained in the attached Notice of Preparation.

Due to the time limits mandated by State law, your response must be sent at the earliest possible date but not later than 30 days after receipt of this notice. We have set the comment period deadline for no later than 5 pm on **December 31, 2010**.

Please send your response to Anne Holden at the address shown above. We will need the name for a contact person in your agency. You may also provide comments via email to aholden@waterboards.ca.gov or fax to (530) 544-2271.

Project Title: Final Groundwater Cleanup Strategy for Historical Chromium Discharges from Pacific Gas & Electric Company's Hinkley Compressor Station.

Project Applicant: Pacific Gas & Electric Company

Date: 11/24/2010

Signature: _____

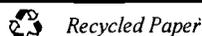
Lauri Kemper, P.E.
Assistant Executive Officer
Phone: (530) 542-5436

Enclosure: Notice of Preparation of a Draft Subsequent Environmental Impact Report

Reference: California Code of Regulations, Title 14, (CEQA Guidelines) Sections 15082(a), 15103, 15375.

AHL/clhT: NOP cover to residents.doc
File: PG&E Hinkley file

California Environmental Protection Agency



NOTICE OF PREPARATION OF A DRAFT SUBSEQUENT ENVIRONMENTAL IMPACT REPORT

DATE: November 24, 2010

TO: Responsible Agencies, Trustee Agencies, and Interested Organizations and Individuals

SUBJECT: Notice of Preparation of a Subsequent Environmental Impact Report for the Final Groundwater Cleanup Strategy for Historical Chromium Discharges from PG&E's Hinkley Compressor Station

LEAD AGENCY: California Regional Water Quality Control Board, Lahontan Region

SEIR CONTACT: Lisa Dernbach, Senior Engineering Geologist
California Regional Water Quality Control Board, Lahontan Region
2501 Lake Tahoe Boulevard
South Lake Tahoe, CA 96150
Phone: (530) 542-5424
E-mail: LDernbach@waterboards.ca.gov

PROJECT TITLE

Final Groundwater Cleanup Strategy for Historical Chromium Discharges from PG&E's Hinkley Compressor Station

BACKGROUND

The California Regional Water Quality Control Board, Lahontan Region (Water Board) is the California Environmental Quality Act (CEQA) Lead Agency for the environmental investigation and chromium groundwater cleanup at the Pacific Gas and Electric Company's (PG&E's) Hinkley Compressor Station. During the 1950s and 60s at the Compressor Station, PG&E discharged chromium-contaminated water, which entered groundwater in the area. In 2008, the Water Board issued Order No. R6V-2008-0014 (General Permit) allowing PG&E to implement in-situ remedial actions and freshwater injection within project area boundaries defined at that time.

Also in 2008, the Water Board issued a Cleanup and Abatement (Order No. R6V-2008-0002) which required PG&E to submit a feasibility study by September 1, 2010 to assess methods to achieve final site cleanup. These objectives are to: 1) achieve plume containment; 2) achieve background conditions for chromium; and 3) restore beneficial uses to the groundwater aquifer. PG&E prepared and submitted to the Board a Feasibility Study (FS) which developed and

analyzed five cleanup alternatives based on their ability to meet the remediation objectives for the site, considering effectiveness, feasibility, time and cost. The FS presents a "no further action" alternative, and four action alternatives:

- Plume Containment
- Plume-wide In-situ Treatment
- Core In-situ Treatment and Beneficial Agricultural Use
- Plume-wide Pump and Treat

These alternatives involve several types of remediation technologies, including:

- Groundwater Extraction and Agricultural Beneficial Reuse
- Clean Water Injection
- Groundwater Extraction, Above Ground Treatment, and Discharge
 - Discharge to Land
 - Direct Injection to Groundwater
- In-situ Treatment

PROJECT DESCRIPTION

The proposed project to be addressed by the Subsequent Environmental Impact Report (SEIR) is expanded core in-situ treatment and agricultural reuse for final cleanup of chromium in groundwater. Additionally, clean water will be injected to provide containment of the chromium in the groundwater within specified boundaries. The Water Board will revise the existing General Permit to incorporate new requirements on discharges. Specifically, the proposed changes to the General Permit will include: 1) the expansion of groundwater extraction and reuse, 2) expansion of the in-situ treatment, and 3) an expansion of the project area. Under the proposal, the expanded project area would allow the implementation of remedial measures over a broader area. Indirect effects related to the revised General Permit include construction and operation of new infrastructure to accommodate the proposed land application, ground water extraction and re-injection, clean water injection, and in-situ measures.

BASIS FOR SUBSEQUENT ENVIRONMENTAL IMPACT REPORT (SEIR)

In 2008, the Water Board adopted General Waste Discharge Requirements for PG&E's currently ongoing groundwater cleanup project. An Initial Study was prepared, and a Resolution approving of the Mitigated Negative Declaration (MND) (State Clearinghouse No. 2008011097) disclosing the effects of the adoption of the General Permit, was adopted by the Water Board in 2008. Groundwater cleanup using limited in-situ remediation and freshwater injection has been ongoing at the site under this existing General Permit. Additionally, agricultural re-use has occurred at the Desert View Dairy under individual waste discharge requirements for PG&E Interim Plume Containment and Hexavalent Chromium Treatment Project (Board Order No. R6V-2004-0034). The Water Board prepared and certified a separate MND in 2004 (certified in Water Board Resolution No. RB6V-2004-0033). Subsequent to that decision, amendments were made to the waste discharge requirements and additional environmental analyses were conducted in 2007 and 2010 to allow for pumping from off-site properties with discharges to the Desert View Dairy as well as the most recent amendment allowing a 50% increased discharge rate to the Desert View Dairy.

As described above, the Water Board expects to revise the existing General Permit to incorporate new requirements on discharges resulting from anticipated expanded remediation activities (land application and in-situ treatment) across a larger area to allow PG&E to implement the final groundwater cleanup approach proposed in the Feasibility Study. Although MNDs were adopted by the Water Board for the General Permit and the individual waste discharge requirements for the Desert View Dairy, there may be new potentially significant impacts related to implementing the final groundwater cleanup approach and has therefore determined that it is appropriate to prepare an SEIR. The SEIR analysis will focus on those potential impacts not previously considered in the MNDs adopted for the existing General Permit and individual waste discharge requirements.

ENVIRONMENTAL EFFECTS TO BE EXAMINED IN THE SEIR

The purpose of an SEIR is to examine project alternatives for potentially significant environmental effects not previously considered in the 2004, 2007 and 2008 MNDs and to identify measures that can reduce, avoid, or mitigate potential adverse impacts. Based upon Water Board staff's review of the FS and experience with projects involving groundwater extraction and reuse, the following resources could be significantly affected by the final remediation actions:

- Biological Resources during construction and operation of remediation activities
- Cultural Resources during construction of new infrastructure facilities required to implement the final remediation
- Hydrology and Water Quality during implementation of remediation activities that may affect groundwater quality
- Aesthetics as a result of new infrastructure facilities required to implement the final remediation
- Air Quality during construction of new infrastructure facilities required to implement the final remediation and follow-up maintenance
- Soils during construction of new infrastructure facilities required to implement the final remediation
- Noise during construction of new wells and infrastructure facilities required to implement the final remediation
- Geology from the conversion of hexavalent chromium (Cr6) to trivalent chromium (Cr3), to be left in place

CEQA requires an SEIR to include a discussion of a reasonable range of alternatives, including the "no project" alternative. Specifically, an SEIR must "describe a range of reasonable alternatives to the project or to the location of the project, which would feasibly attain most of the basic objectives of the project but would avoid or substantially lessen any of the significant effects of the project, and evaluate the comparative merits of the alternatives." Here, the primary objective of the project is final remediation of the contaminated site to background levels of chromium. The lead agency is responsible for selecting a range of project alternatives for examination and must publicly disclose its reasoning for selecting those alternatives.

The Water Board has selected a consulting firm to assist the Water Board in preparing the SEIR. This firm will work at the Water Board's direction. The SEIR will reflect the independent judgment of the Water Board as lead agency. The FS prepared by PG&E will be independently reviewed by the Water Board and its consultant and used as a source document in preparing the SEIR, along with other information collected by the consultant or provided by the public and the Water Board. The Water Board and its consultant will also review and evaluate comments received on the Notice of Preparation. As described below, the FS is available for review by contacting the Water Board.

At the same time, the Water Board is circulating PG&E's Feasibility Study (FS) for public review and comment pursuant to California Water Code 13307.5. The Water Board will provide a separate notice for this effort.

Following public and agency review and comment on this NOP and the FS, the SEIR will analyze the potential environmental impacts of the proposed project and alternatives.

PROJECT LOCATION

Hinkley, San Bernardino County, California, 92347

The Compressor Station is located in the Mojave Desert approximately 6 miles west of the City of Barstow, California, about one mile north of the Mojave River. Figure 1 shows the project location and vicinity. Figure 2 shows the extent of the chromium contamination in groundwater as of August 2010.

PURPOSE OF THE NOTICE OF PREPARATION

CEQA specifies that a public agency must prepare a SEIR if the proposed project may have a new or substantially more severe significant environmental impact than was previously disclosed in a MND. The Water Board is the CEQA lead agency for the PG&E Hinkley Compressor Station Groundwater Cleanup Project because it will issue a Revised General Permit for the remediation actions. The Water Board has determined that activities to be conducted under the FS and proposed Revised General Permit, such as increased aquifer pumping and discharges of groundwater to land, may have a significant impact on the environment not previously evaluated in the previous MNDs and has therefore decided to prepare an SEIR.

The purpose of this Notice of Preparation (NOP) is to initiate interagency and public dialogue to determine the scope of this SEIR by engaging Responsible Agencies, Trustee Agencies, and interested organizations and individuals in identifying concerns to be addressed in the SEIR. The principal goal of this NOP is to inform agencies and the public about issues related to the project and to solicit recommendations and develop information regarding the scope, focus, and content of the proposed SEIR. The Water Board encourages recipients of this notice to inform others with an interest in or responsibility related to the proposed project that this NOP is available for review.

PROVIDING COMMENTS ON THE NOTICE OF PREPARATION

Responsible Agencies, Trustee Agencies, and interested organizations and individuals are encouraged to submit comments regarding the scope and content of the environmental information to be contained in the draft SEIR for the Water Board's consideration. In formulating your comments, you are encouraged to review PG&E's Feasibility Study (FS) along with the information in this NOP.

To obtain a compact disk of the FS, please contact Amber Wike at 530-542-5404, or awike@waterboards.ca.gov. Compact disks of the FS will also be available at the Hinkley School in Hinkley, California on December 1, 2010. Hard copies of the FS can be viewed at the Hinkley Senior Center, the San Bernardino County Library in Barstow, California, or at the Water Board's Victorville or South Lake Tahoe offices.

Victorville Office

14440 Civic Drive, Suite 200
Victorville, CA 92392
760-241-6583

South Lake Tahoe Office

2501 Lake Tahoe Boulevard
South Lake Tahoe, CA 96150
530-542-5400

A text-only version of the FS is available online at
http://www.waterboards.ca.gov/lahontan/water_issues/projects/pge/docs/pgestudy_txtonly.pdf

Please send written comments to Anne Holden, the Water Board's SEIR Project Manager, at the Water Board's South Lake Tahoe address listed above. You may also email your comments to aholden@waterboards.ca.gov or fax to (530) 544-2271 to the attention of Anne Holden. When submitting comments please identify a contact person to answer any questions regarding your comments.

DEADLINE FOR SUBMITTING COMMENTS

Comments on this NOP must be received no later than 5:00 p.m. on December 31, 2010.

DECEMBER 1, 2010 SCOPING MEETING

On December 1, 2010, beginning at 6:00 pm the Water Board will host a scoping meeting at the Hinkley Elementary School, 37600 Hinkley Road, in Hinkley. The purpose of this meeting is to give the Responsible Agencies, Trustee Agencies, and interested organizations and individuals an opportunity to appear and comment on the scope and content of the draft SEIR. Information will also be presented on PG&E's FS, current boundaries of the chromium plume in groundwater, and information on nitrate pollution in the groundwater in the Hinkley area. This scoping meeting will consist of repeated small group presentations at separate informational stations within the meeting room, including presentations that will provide a project overview, a CEQA process overview and an opportunity for meeting participants to comment orally or in writing on the scope

and content of the SEIR. Written comments will also be accepted at the meeting. A Spanish interpreter will be available at the meeting.

CONTACTS

If you wish to discuss technical details of the groundwater cleanup project, please contact Ms. Lisa Dernbach, Water Board Project Manager, at (530) 542-5424 or ldernbach@waterboards.ca.gov. For media inquiries, please contact the Water Board Public Information Officer, Lauri Kemper at (530) 542-5436 or lkemper@waterboards.ca.gov. For inquiries regarding the SEIR or review process, please contact Anne Holden, Water Board SEIR Project Manager, at (530) 542-5450 or aholden@waterboards.ca.gov.

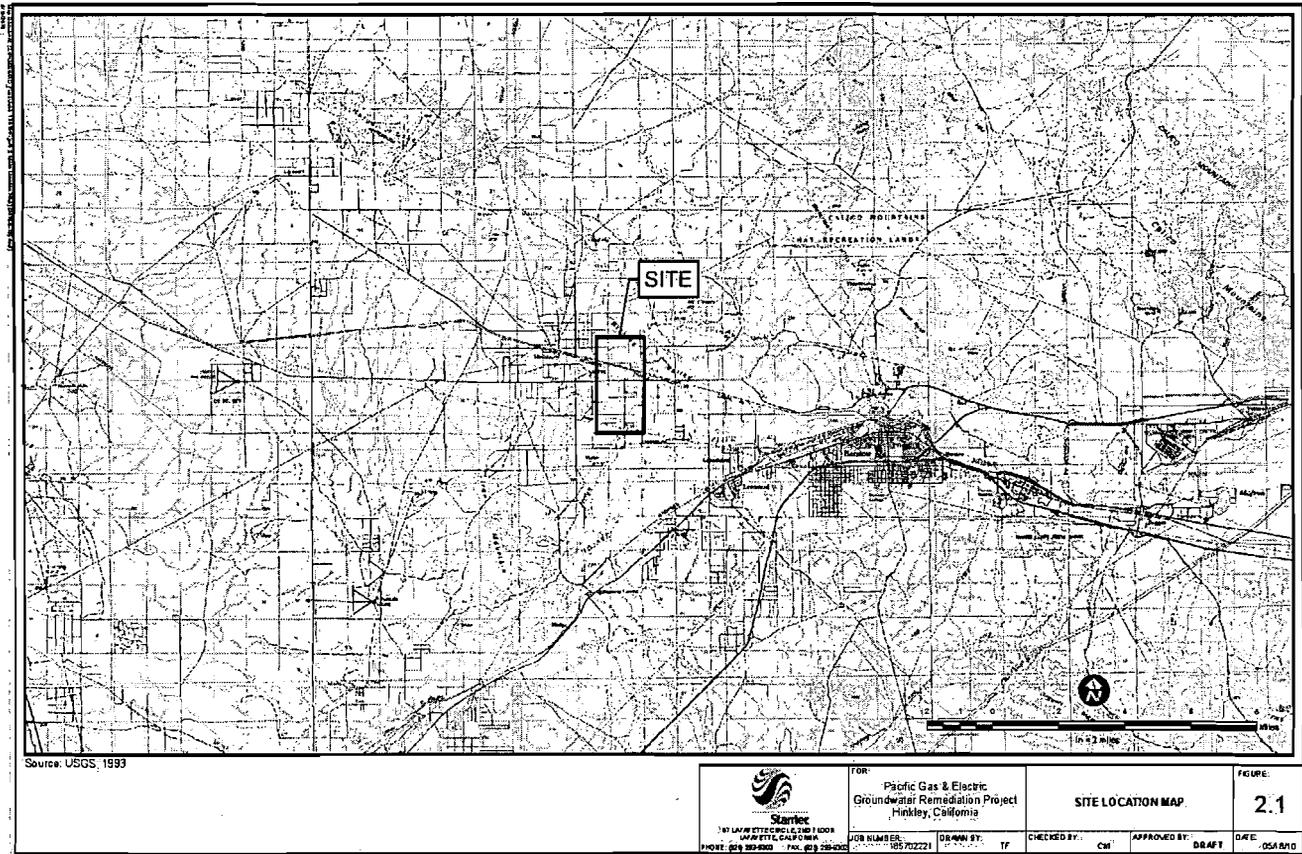
INFORMATION FOR THE DISABLED AND HEARING IMPAIRED

The meeting rooms for the scoping meetings are accessible to people with disabilities. If you have special accommodations or language needs, please contact Water Board's Project Manager Lisa Dernbach at (530) 542-5424. TDD users may dial 711 for the California Relay Service.

FIGURES

Source: Feasibility Study (Haley and Aldrich, 2010)

Figure 1. Project Location and Vicinity



Source: 3rd Quarter 2010 Groundwater Monitoring Report (CH2MHILL, 2010)

Figure 2. Chromium Plume – August 2010

