



Enforcement News

Lahontan Regional Water Quality Control Board

2501 Lake Tahoe Boulevard, South Lake Tahoe, California 96150

Phone (530) 542-5400 □ Fax (530) 544-2271

www.waterboards.ca.gov/lahontan

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Contact: Lauri Kemper
(530) 542-5436

PG&E to pay \$3.6 million for failing to contain Hinkley chromium contamination \$1.8 million for Hinkley School water project

As part of a settlement agreement with the Lahontan Regional Water Quality Control Board (Water Board), Pacific Gas & Electric Company (PG&E) will pay \$3.6 million in Administrative Civil Liabilities (ACL) for violations of the Water Board's Cleanup and Abatement Order, which required PG&E to contain hexavalent and total chromium groundwater plumes near the town of Hinkley in San Bernardino County. The money represents a settlement agreement between the Water Board prosecution team and PG&E.

The agreement was approved by the Water Board at its March 14th meeting in Barstow.

"This is one small step, an incremental step," said Board chair, Don Jardine, "While we wish there were more, and more for the entire community, the school is a focal point for the community, and the project will benefit the school."

Board member Peter Pumphrey said the settlement is part of something bigger. He said that the Board's prosecution team and PG&E acted in good faith in crafting the settlement, but added, "This is part of something bigger and we can't lose focus or attention on the bigger focus of cleanup."

The Water Board's prosecution team alleged that PG&E failed to contain the groundwater contamination by Dec. 31, 2008, as ordered, and that the violation continued for 1,093 days or approximately three years. Both parties agreed to the settlement agreement in lieu of proceeding to an evidentiary hearing before the Water Board.

Under the settlement agreement, PG&E will pay a sum of \$1.8 million to the State Water Resources Control Board Waste Discharge Permit Fund no later than 30 days following the Water Board adopting the order. The remaining \$1.8 million will be suspended upon completion of a Supplemental Environmental Project (SEP), which will provide a new water supply to the Hinkley School. PG&E will construct a pipeline to carry clean drinking water to the school from a groundwater source located outside the chromium contaminated area.

"The Water Board's prosecution team agreed to the settlement because the SEP will be directed toward a project that benefits the community of Hinkley," said Lauri Kemper, Assistant Executive Officer of the Water Board.

Kemper emphasized that the settlement agreement does not change or reduce PG&E's ongoing responsibility to clean up the contamination in the Hinkley area. Water Board staff will continue oversight of cleanup of the groundwater. In addition, Water Board staff anticipates bringing a revised Cleanup and Abatement Order against PG&E to the Water Board for its consideration later this year. The revised order will set specific cleanup goals and due dates to achieve long-term restoration of ground water quality in the Hinkley area.

The settlement agreement can be seen at:

http://www.waterboards.ca.gov/lahontan/water_issues/projects/pge/docs/stlmnt020112.pdf