

Lahontan Regional Water Quality Control Board

April 18, 2013

Sheryl Bilbrey
Director, Remediation Program Office
Pacific Gas and Electric Company
3401 Crow Canyon Road
San Ramon, CA 94105-1814

Dear Ms. Bilbrey,

You have requested that the Regional Water Quality Control Board for the Lahontan Region (Regional Water Board) clarify statements, attributed to Regional Board staff at the February 28, 2013 Community Advisory Committee (CAC) meeting, alleging that PG&E could not require a written access agreement as a condition for the installation of a treatment system, and that even without an access agreement, PG&E would be required to install the Whole House Water (WHW) systems by August 13, 2013, or be in violation of the WHW Order.

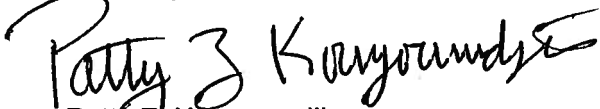
In general, I agree that the requirement for an access agreement is a reasonable prerequisite to installing a WHW system, and is a common practice to set out expectations and protect the rights of both parties. The Regional Water Board stated previously, however, that it would not provide a form access agreement or mediate disputes between PG&E and the homeowners. In addition, I would caution PG&E that it cannot avoid its obligations under the WHW Order by including unreasonable, unfair or coercive terms in the access agreement. The shortened version of the access agreement appears reasonable and PG&E may require it to be signed before it installs a system without violating the WHW Order, as long as PG&E demonstrates a good faith effort to address any homeowner objections to the agreement. As I have indicated previously, it is important for you to document your efforts to meet your obligations under the WHW Order, including working out issues with the community.

You have also expressed concerns about your ability to meet the requirement to provide WHW systems by August 31, 2013 to those that have chosen to participate in the WHW program, rather than be bought out, when you have not yet received a signed access agreement from the homeowner. Based on that concern you have requested that you be allowed to extend the deadline for all properties that have not yet submitted a signed access agreement to six months from the date of receiving such an agreement. Although I sympathize with the dilemma PG&E has in meeting its requirements under the Board's WHW Order, I do not believe a six-month delay would be appropriate. **I would, however, be willing to grant a 5 month extension for those properties that by May 10, 2013 have not provided you a signed access agreement.** This would mean that for properties that have access agreements signed by May 10, you must still meet the August 31, 2013 deadline. For any properties that did not have a signed agreement by May 10, 2013, you would have 5 months from the date of the signed agreement to provide a WHW system.

You have also expressed concerns about what the deadline would be for providing WHW systems to those whose properties that were eligible for WHW systems by the August 31, 2013 deadline, but had chosen instead to be bought out, and then changed their minds, deciding instead to stay in Hinkley and be provided a WHW system. For those people, I would also believe that a 5 month extension should be sufficient, and I would expect that PG&E would do all that it could to provide a system earlier, if it is possible. Until a system is provided, you would be required to continue to provide that homeowner with bottled water.

I am sure that there are situations that I have not addressed here that we will be required to address in the future. Where disagreement, uncertainty or confusion exist, I encourage you to approach the community and attempt to work out those issues. The Regional Water Board does not want to be in the middle of disagreements between PG&E and the Hinkley community, especially when the issues of concern are outside of, or only tangential to, our authority, such as with the access agreements. Where the Regional Water Board must intervene, our focus will be to do what is fair to the community, reasonable to request of PG&E and is protective of public health and the environment.

Sincerely,



Patty Z. Kouyoumdjian
Executive Officer

cc: Hinkley CAC Members (electronic copy only)

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