

**VALLEY WATER MANAGEMENT COMPANY**

7500 MEANY AVE.  
BAKERSFIELD, CALIFORNIA 93308

June 6, 2014

Dane Johnson  
Senior Engineering Geologist  
Central Valley Regional Water Quality Control Board  
1685 E Street  
Fresno, CA 93706

Re: Draft California Water Code Section 13267 Order for the Valley Water Management Company's Fee 34 and Race Track Hill Facilities

Dear Mr. Johnson:

Valley Water Management Company (VWMC) has received your 21 May 2014 letter and draft 13267 Order letter for our Edison Oil Field facilities. We have several comments to make on the proposed order.

First, VWMC fails to see the need for a 13267 Order at this time. Although VWMC suggested a 13267 Order in lieu of a Cleanup and Abatement Order, that suggestion was made prior to VWMC proceeding with a voluntary investigation to determine whether releases have occurred at either facility. A workplan for Phase 1 investigations to determine if releases have occurred was submitted to and approved by the Regional Water Board staff. The work plan recognized that additional investigations, site characterization, and evaluation of remedial alternatives might be required, depending on the results of the first phase. VWMC committed to conduct all necessary work, as required, in a phased approach and in coordination with Regional Water Board staff.

Additional oversight and deadlines that are necessarily arbitrary do nothing to improve the investigation, but only increase the likelihood that VWMC could be held liable for violating an order were one to be issued. For these reasons, VWMC respectfully requests that the voluntary investigation, already well underway, be allowed to proceed without a formal investigation order from the Regional Water Board.

Second, should the Regional Water Board decide to proceed with an order in spite of our request to defer issuance of an investigative 13267 Order, VWMC incorporates by reference its previous comments on the NOV's and draft CAOs for these facilities since there are many characterizations of the facts and the regulatory and permit requirements that VWMC does not agree with and asks that modifications be made. Specific redline changes were not provided because, as previously stated, VWMC would prefer the voluntary approach.

Third, VWMC wishes to modify the draft date of 15 January 2015 for completion of site investigations and submittal of a final report for the Phase 2 field investigations, or narrow the proposed scope of Phase 2. As currently written, the proposed date is infeasible by allowing just five and a half months (from a planned 1 August 2014 submittal of the Phase 1 report) in which to receive comments from Regional Board staff; plan, schedule, and conduct Phase 2 investigations; and submit a report on the fieldwork, data evaluation, and interpretation. Thus, with or without a 13267 Order, we propose that the Phase 2 investigation and report submitted on 15 January 2015 be limited to completion of the determination of whether a release has occurred at either site, and initial characterization of the nature and extent of any releases discovered in Phase 1. After submittal of the 15 January 2015 Phase 2 report, VWMC will meet with the Regional Board to discuss subsequent phases of work that may

address the other enumerated items in the draft order, remediation alternatives, if deemed necessary, and a timeline for completion of this additional work.

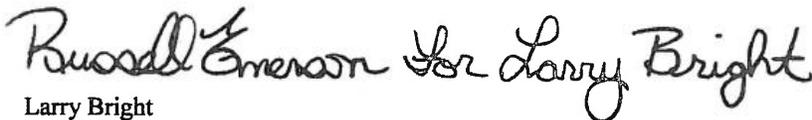
VWMC has already accelerated the pace of the site investigations by voluntarily submitting a Phase 1 work plan, receiving Regional Board approval, conducting field work, and analyzing results. We had planned to submit our Phase 1 report by 1 August 2014 and, at that time, recommend investigations to be included in Phase 2 investigations. It has been VWMC's intent that after this Phase 2 work was completed, additional work to address characterization of nature and extent of releases or feasibility studies would be identified and scheduled as future phases of the site investigation.

Fourth, VWMC has some factual corrections that must be made to the proposed Order.

- The first paragraph on page 1 of the draft Order estimates the size of the Fee 34 facility to be approximately 40 acres. This is incorrect. The entire Fee 34 property is 3.84 acres and the operating portion within the fence line is approximately 2.5 acres in size.
- The second paragraph on page 1 of the draft Order states that there are seven surface impoundments including 5 gunite-lined impoundments. In fact, there are just 3 gunite-lined impoundments: the largest impoundment on the west side of the facility and 2 skimming impoundments in the northeast corner. Each of the skimming impoundments is elongated in the east-west direction. Although both of these impoundments appear to be subdivided when viewed on aerial photographs, they only have surface baffles that extend to approximately 5 feet below the liquid surface to assist in oil skimming. The impoundments are interconnected below the baffles.

Finally, VWMC reiterates its wish to continue working cooperatively with the Regional Board to voluntarily conduct studies to evaluate any potential soil and groundwater impacts related to the Fee 34 and Race Track Hill facilities. We have completed a first phase of subsurface investigations and plan to submit a report on field activities and findings soon. Given this cooperative approach, we urge the Regional Water Board to defer the issuance of any order to VWMC for these facilities unless and until such time as this cooperation ceases and additional enforceable orders are needed. This approach is consistent with the State Water Board's 2010 Enforcement Policy, which recognizes at page 1 that "[t]here is a point [] at which this cooperative approach should make way for a more forceful approach." VWMC does not believe that cooperation has broken down at this point in order to justify the issuance of a 13267 Order at this time.

Respectfully submitted,

  
Larry Bright

Cc via email: Chris Burger, counsel for VWMC  
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