



CALIFORNIA ENVIRONMENTAL PROTECTION AGENCY
Department of Toxic Substances Control

Responsiveness Summary

Draft Revised Statement of Basis for the
Areas of Concern 1 through 6

Morro Bay Power Company Portion of the
Morro Bay Power Plant
1290 Embarcadero
Morro Bay, CA 93442

June 2022

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1.0 INTRODUCTION

This Responsiveness Summary has been prepared by the California Department of Toxic Substances Control (DTSC) and responds to all public comments received during the public comment period on the Draft Revised Statement of Basis for the Morro Bay Power Company (MBPC) Portion of the Morro Bay Power Plant (Plant), located at 1290 Embarcadero, Morro Bay, California (Site). While Pacific Gas and Electric Company (PG&E) still retains portions of the Plant, this Draft Revised Statement of Basis does not address the PG&E owned portion of the Plant.

The remaining sections of the Responsiveness Summary are organized as follows:

- Section 2.0 provides a background information on the Site
- Section 3.0 discusses the Draft Revised Statement of Basis
- Section 4.0 provides an overview of the public review process
- Section 5.0 provides the comments received in writing and provides a response to those comments
- Section 6.0 provides DTSC's conclusions and recommendations for finalizing the Draft Revised Statement of Basis, and next steps in the cleanup process
- Attachment 1 includes a site location map
- Attachment 2 provides copies of the Community Update and Public Notice
- Attachment 3 provides a copy of the transcript from the public meeting held on November 16, 2021
- Attachment 4 provides a copy of the written comments that were received

2.0 BACKGROUND

The 131-acre Site is on the northern shore of Morro Bay near the southern part of Estero Bay. Starting in 1941, the Site was owned by the U.S. Navy as an amphibious training base. PG&E purchased the property in 1951 and began generating electricity in 1955, using natural gas and oil as fuel. Fuel was stored in six aboveground storage tanks until 1995, when the plant switched to using only natural gas. In 1998, Duke Energy Morro Bay, LLC purchased the Site. In 2006, LS Power acquired the Site, then merged with Dynegy in April 2007. In 2014, Dynegy closed the power plant. In 2020, Dynegy changed its name to the Morro Bay Power Company (MBPC).

As the original owner of the Site, PG&E remains responsible for investigating and addressing Site contamination from historical power generation activities. In 2006, DTSC and PG&E entered into a Resource Conservation and Recovery Act (RCRA) Corrective Action Consent Agreement (CACA). To help organize investigation and remediation, the Site was divided into eight Areas of Concern (AOCs). See Attachment 1 for the Site Location Map, which identifies the locations of the eight AOCs.

Environmental investigations detected chemicals in the soil and groundwater from historical facility operations including total petroleum hydrocarbons (TPHs), metals, polycyclic aromatic hydrocarbons (PAHs), pesticides, and volatile organic compounds (VOCs). From 2015 to 2018, PG&E conducted a Human Health Risk Assessment (HHRA) and Screening-Level Ecological Risk Assessment (SLERA). These assessments concluded that current conditions are protective of ecological receptors and human health for the current industrial/commercial land use.

In 2020, DTSC released a Draft Statement of Basis for public comment that proposed implementing a land use covenant (LUC) for AOCs 1 through 4 and 6, limiting them to commercial/industrial use. DTSC originally set the 30-day public comment period from March 4, 2020, to April 22, 2020, but later extended it to May 22, 2020, due to the COVID-19 pandemic and requests from the public. The public expressed interest in having more potential future use of the property, rather than limiting the property to the current commercial/industrial use. Based on this and on DTSC input, MBPC performed additional evaluations of Site soil (in the Screening Level Human Health Risk Assessment Report (SLHHRAR, 2020)) and in groundwater (in the Screening-Level Risk Assessment Report for Groundwater (SLRARGW, 2021)). Based on the results in

these two reports (SLHHRAR and SLRARGW), MBPC found only a portion of AOC 1 soil exceeded residential screening and risk levels.

Determinations concerning AOC 5 (the Switchyard) in the SLHHRAR were based on soil data for the portion of the Switchyard which is owned by the MBPC (MBPC Switchyard), but not for the portion still owned by PG&E (PG&E Switchyard). The SLHHRAR also assessed the potential impacts of the historical soil samples at the MBPC Switchyard and determined that the risk of exposure at the MBPC Switchyard was below residential use screening levels. Thus, DTSC decided that the MBPC Switchyard should be included in the Draft Revised Statement of Basis and determined that the MBPC Switchyard would not need any restrictions to be protective of human health and the environment.

DTSC subsequently determined that the Statement of Basis should be revised to allow unrestricted soil and groundwater use in AOCs 1 through 6, except for soil in the portion of AOC 1 that exceeds residential screening levels.

3.0 DRAFT REVISED STATEMENT OF BASIS

To address the TPH in soil exceeding residential screening levels in AOC 1 and ensure long-term protection of human health and the environment under approved land uses, the draft Revised Statement of Basis proposes the following measures:

- Implementing a land use covenant (LUC) that restricts a portion of AOC 1 soil to future commercial/industrial use
- Establishing a Soil Management Plan (SMP) that describes the safe handling and disposal of contaminated soil should it be disturbed during any future earthmoving work
- Requiring the current property owner to conduct annual inspections and reporting to ensure the land use remains compliant with the LUC and that the applicable portion of AOC 1's use remains protective over time.

The final remedy determination will reflect any changes which DTSC determines are appropriate in response to public comments. If the Draft Revised Statement of Basis is approved, then DTSC will coordinate with MBPC to record the LUC with San Luis Obispo County in 2022.

The remedy will not require construction or implementation of a physical remedy and therefore is exempt from the California Environmental Quality Act (CEQA).

4.0 PUBLIC REVIEW PROCESS

The following summarizes the public review process for the Draft Revised Statement of Basis.

Public Comment Period: DTSC held a 57-day comment period from October 14, 2021 to December 9, 2021. The public comment period was longer than the standard 45 days to allow the public additional time to review and comment on the documents.

Public Comment Period Notification: To announce the start of the public comment period and solicit comments on the Draft Revised Statement of Basis, DTSC published an English public notice in the main section of the *New Times San Luis Obispo* newspaper and the *San Luis Obispo Tribune* newspaper on October 14, 2021, and on page 2A of the *Estero Bay News* newspaper on October 21, 2021. It was also provided to 21 local businesses for posting in the community. A copy of the public notice is included in Attachment 2.

Community Update: On October 8, 2021, DTSC distributed a Community Update in English via U.S. mail to 2,331 addresses which included residences and businesses located within an approximately 0.75-mile radius of the Site; key representatives from San Luis Obispo County and the City of Morro Bay; local civic/community organizations;

and DTSC's mandatory mailing list. Copies of the Community Update are provided in Attachment 2.

Public Meeting: On November 16, 2021, DTSC held a virtual public meeting on the Draft Revised Statement of Basis over Zoom due to the COVID-19 pandemic. The purpose of the meeting was to provide information regarding the Draft Revised Statement of Basis and answer clarifying questions. Nine members of the public attended the meeting. Time was also set aside to receive formal public comments, but none were received. All questions were addressed during the public meeting and those responses can be found in a copy of the public meeting transcript in Attachment 3.

Information Repositories: The Draft Revised Statement of Basis and Site-related documents were made available for public review at the following physical and online locations:

- Morro Bay Public Library, 625 Harbor Street, Morro Bay, CA 93442, (805) 772-6394; call for hours
- DTSC – File Room, 8800 Cal Center Drive, Sacramento, CA 95826, (916) 255-3758; call for an appointment
- DTSC's EnviroStor at: [Hyperlink to DTSC's Envirostor page for the Morro Bay Power Plant](https://www.envirostor.dtsc.ca.gov/public/profile_report?global_id=80001832) (https://www.envirostor.dtsc.ca.gov/public/profile_report?global_id=80001832), on the Community Involvement tab

The following documents were made available to the public during the public comment period:

1. DTSC Community Update, Morro Bay Power Company Portion of the Morro Bay Power Plant Public Comment for Draft Revised Statement of Basis, dated October 13, 2021, located on DTSC's public environmental database Envirostor at [Hyperlink to DTSC Community Update](https://www.envirostor.dtsc.ca.gov/public/community_involvement_documents?global_id=80001832&document_folder=+4946942985) (https://www.envirostor.dtsc.ca.gov/public/community_involvement_documents?global_id=80001832&document_folder=+4946942985),
2. DTSC Public Notice, Draft Revised Statement of Basis Available for Review Morro Bay Power Company Portion of the Morro Bay Power Plant, dated October 14, 2021, located on DTSC's public environmental database Envirostor at [Hyperlink to DTSC Public Notice in SLO Tribune and New Times SLO](https://www.envirostor.dtsc.ca.gov/public/final_documents2?global_id=80001832&doc_id=60511044) (https://www.envirostor.dtsc.ca.gov/public/final_documents2?global_id=80001832&doc_id=60511044), and
3. Draft Revised Statement of Basis for the Morro Bay Power Company Portion of the Morro Bay Power Plant, dated October 14, 2021, located on DTSC's public environmental database Envirostor at [Hyperlink to DTSC's Revised Statement of Basis](https://www.envirostor.dtsc.ca.gov/public/community_involvement/2992063224/MBPP_Revised%20SOB%20for%20MBPC%20final%20for%20public%20review%2020211008.pdf) (https://www.envirostor.dtsc.ca.gov/public/community_involvement/2992063224/MBPP_Revised%20SOB%20for%20MBPC%20final%20for%20public%20review%2020211008.pdf).

5.0 COMMENTS AND RESPONSES

The public comment period ended on December 9, 2021. During this public comment period, 1 letter, 2 emails, and 20 comment cards were received by DTSC. Some of the comment cards and one of the emails contain multiple comments. DTSC has grouped the comments according to similar concepts or themes, and DTSC's responses to each group are provided below.

The one (1) letter received by DTSC is included in this Responsiveness Summary in Attachment 4. DTSC will prepare a response letter and transmit it to the organization that generated the original letter.

The two (2) emails and DTSC responses are incorporated into this Responsiveness Summary. One email has already been responded to previously, as it was a request for additional information, but it is repeated below and in Attachment 4 for convenience.

All comments received are in Attachment 4. For those comments from individuals, their personal information has been removed to protect their privacy. For those comments from government entities or other organizations, all contact information for that particular email or letter was left in the correspondence, since they were acting on behalf of an organization, and thus is part of public domain.

DTSC organized all the comments into comment groups, and each group lists an example, or examples of the comment(s) within that group, and the DTSC response to the comments within that group. If the number of comments for that group is less than 5, or all of the comments are diverse enough, all comments for that group are listed below. If the comments in a single group have potentially diverse responses, DTSC's response attempts to address all the comments in that group.

Draft Revised Statement of Basis – Written Comments Received During the Public Comment Period

The Proposed Remedy and Associated Topics

1. Comments that support the Draft Revised Statement of Basis

“We own 2 condominiums on Surf Street, roughly 200 yards from AOC 6. We support the proposed revised remedy. It appears to be appropriate, responsible and fair.”

“Thank you for forwarding the Draft Revised Statement of Basis for the Morro Bay Power Company Portion of the Morro Bay Power Plant Project. The San Luis Obispo County Air Pollution Control District (SLO County APCD) previously commented on the Draft Statement of Basis for the project on May 22, 2020. The revisions proposed in Draft Revised Statement of Basis do not materially alter SLO County APCD's position or recommendations, and all comments from our May 22, 2020 letter are pertinent to the Draft Revised Statement of Basis as well.”

DTSC Response 1

DTSC appreciates your questions and comments. DTSC appreciates your support on the proposed revised remedy.

2. Comments that are Out of Scope

“It seems to me, by your recent decisions, your [sic] getting advice from Joe Biden. The last tsunami warning was 1968 when nothing happened. Now your [sic] moving the sewer plant up on a hill just in case. The wind farm will never pay for itself, but it will put the final nail in the coffin for what's [sic] left of the fishing industry. Removing the smokestacks would be like tearing down statues all across the country.”

“Please be respectful of the homes/residential neighborhood adjacent to the power plant in terms of what will be put there.”

DTSC Response 2

DTSC appreciates your questions and comments. As these comments are outside of DTSC purview; DTSC recommends that interested parties contact appropriate agencies local to Morro Bay to address these types of concerns.

3. Protecting human health and the environment

“In a time when we have such a bleak future to offer our children, please do not make it even worse by allowing toxic waste into our community and environment. Let's try to make their future just a little bit better by saying no to this plan.”

“What are the mitigation of damage risks to the residents of the site subject water within 100 feet of the property boundaries?”

“Do any of the clean up sites have ESHA's, i.e. sensitive habitat?”

“What specific measures will be taken to protect wildlife and humans?”

“What supporting evidence/information did the current MBPC owner provide to DTSC in order to allow such substantial revisions to the previous Statement of Basis? Particularly with respect to ground water usage? Was DTSC's prior data incorrect?”

DTSC Response 3

Any remedy proposed by DTSC in a Statement of Basis needs to be protective of human health and the environment based on all current data for a site. The original Statement of Basis proposed a Land Use Covenant limiting soil and groundwater use across all AOCs previously investigated at the MBPC-portion of the Morro Bay Power Plant to protect human health and the environment. This previous determination was made based on the Screening Level Ecological Risk Assessment Report (2018) and the Human Health Risk Assessment Report (2018) prepared for PG&E: both documents assumed that the entire site would have a Land Use Covenant recorded for it. Subsequently, the Draft Revised Statement of Basis was prepared to address proposed changes to the remedy based on a new analysis of the previous data, performed within the SLHHRAR and SLRARGW prepared for the MBPC-portion of the MBPP. Both documents support a LUC being recorded only for a portion of AOC 1, with the rest of the previously investigated AOCs not needing any remedial action to be protective of human health and the environment. Thus, the SLHHRAR and SLRARGW were prepared because the property owner wanted to know the true extent of the restrictions which would be needed for the complete site, not because new data was found that made the previous data incorrect.

While AOCs 1, 2 and 6 all contain habitat for potential environmental receptors, the SLERA identified the following:

- That contaminants in groundwater in AOC 1 are, “...not a potential risk to terrestrial plants there or to potential offsite receptors in Morro Creek and Morro Bay.”
- That contaminants in soil and groundwater in AOC 2 are, “not a potential risk to terrestrial plants, soil invertebrates, birds and mammals” and, “are not a potential risk to terrestrial plants there or to potential offsite receptors in Morro Creek and Morro Bay.”
- That contaminants in soil in AOC 6, “...are not a potential risk to terrestrial plants, soil invertebrates, or birds and mammals with large home ranges. Although potential risks from lead and zinc to birds with small home ranges and from exposure to selenium to mammals with small home ranges are possible, these risks are considered to be very low given the limited exceedance of the benchmarks, low incremental risk (selenium), the low-quality habitat at AOC 6, and the size of the home range for the receptors compared to the available habitat there (i.e., available habitat [less than 0.1 ha] within the AOC is less than the home range of the bird and mammal receptors with small home ranges).”

Thus, the Site is not likely habitat for any sensitive or normal plant and animal species, and if it were, likely presents no significant risk to either.

Since the Site water has been determined to not likely present any significant risks to human health or the environment, no ‘mitigation of damage risks’ is necessary for groundwater at the Site, nor is anything beyond a LUC needed for the portion of AOC 1 which has chemicals at levels in soil exceeding residential screening levels.

Lastly, just saying ‘no action’ to the Draft Revised Statement of Basis is not an acceptable action, because doing nothing would not be protective of human health and the environment. DTSC considers ‘no action’ as a basis for comparing remedial alternatives. DTSC has determined that the Draft Revised Statement of Basis is protective of human health and the environment based on all current data for this Site.

4. Cost concerns

“What compensation is provided to affected residents that live within 500 feet of property boundaries when toxic materials are disturbed?”

DTSC Response 4

To DTSC’s knowledge, there is no compensation available to residents near the Site that have been affected by hazardous substances at the Site. Residents can pursue their own legal remedies against the potential responsible parties for damages.

5. Management of contaminants

“Can we see a map of the soils + water test results? I think the public needs to know if there are dangerous/marginal/ok limits in their neighborhood + businesses.”

DTSC Response 5

For parties interested in the most recent soil and groundwater data and an analysis of it, DTSC recommends the Conceptual Site Model Report on DTSC’s Envirostor database page for the Morro Bay Power Plant:

[Hyperlink for the Conceptual Site Model for the Morro Bay Power Plant \(https://www.envirostor.dtsc.ca.gov/public/deliverable_documents/2481611490/MBPP_Rev-CSM-Report_20180220.pdf\)](https://www.envirostor.dtsc.ca.gov/public/deliverable_documents/2481611490/MBPP_Rev-CSM-Report_20180220.pdf). Sections 4.3.2 and 4.3.3 of this report discusses the soil and groundwater data, respectively. In the SLHHRAR (located at [Hyperlink for the SLHHRAR \(https://www.envirostor.dtsc.ca.gov/public/deliverable_documents/4830428898/Dynegy%20Morro-Bay-SLHHRAR%20RTCs%20and%20final%20report%20200320%20revised%2020201029.pdf\)](https://www.envirostor.dtsc.ca.gov/public/deliverable_documents/4830428898/Dynegy%20Morro-Bay-SLHHRAR%20RTCs%20and%20final%20report%20200320%20revised%2020201029.pdf)) and the SLRARGW (located at [Hyperlink to the SLRARGW \(https://www.envirostor.dtsc.ca.gov/public/deliverable_documents/5439625620/rpt-GW-SL-HHRA-Morro-Bay-0323-001-002-Final+ltr.pdf\)](https://www.envirostor.dtsc.ca.gov/public/deliverable_documents/5439625620/rpt-GW-SL-HHRA-Morro-Bay-0323-001-002-Final+ltr.pdf)) both contain the Site data and analysis which identifies that there is contamination in a portion of AOC 1, and that both soil and groundwater are not contaminated above unrestricted use levels and groundwater drinking levels, respectively, beyond AOC 1. (Please note: Since the PG&E Switchyard and AOC 7 (the power building and the smokestacks) have not yet been investigated, conditions in soil and groundwater underneath these areas is unknown).

DTSC does not own the Site and only becomes involved if a release or potential release of hazardous chemical(s) could occur at the property. Thus, DTSC has no say in what is built or done at this property in the future, unless what is built or performed could cause significant risk to human health or the environment.

6. Oversight authority

“Will the Morro Bay Planning Commission remain as oversight and approval throughout the process?”

DTSC Response 6

DTSC oversees its Corrective Action process, which includes the approval of the Proposed Remedy. DTSC's oversight extends to verifying that a potentially contaminated or known contaminated site is investigated, that an appropriate remedy is proposed for approval by DTSC if contamination above unrestricted use is found, and that the implemented remedy protects human health and the environment while in place or operating.

DTSC agrees that participation of the Morro Bay Planning Commission (MBPIC) in this process is beneficial for the City of Morro Bay to understand any and all results of environmental investigations and actions, and to provide input to DTSC as to the City of Morro Bay's interests. However, the MBPC is responsible for the property and how it is presently used, with the MBPIC responsible for how the property may be used in the future if the property is sold to the City of Morro Bay.

7. Future Site use/development

"I am concerned for [sic] Battery Plan [sic] to be placed in the most active area of Morro Bay tourism. Why would we allow Vistra to do [sic] battery project here when their power (solar/wind) is coming from the Valley? [sic] Battery project would benefit the grid by placement inland."

"It seems like we have already been down this road - see the defunct power plant already there?? Adding 3,100,000 sq ft buildings full of toxic/hazardous materials this close to the ocean is irresponsible and detrimental to our livelihoods [sic] if there is a tsunami/earthquake or other unforeseeable [sic] events. Put the Damn thing in Texas if they want it so bad."

"I would like to be able to rent the property for a week to hold an event with camping and festivities to attract businesses to the embarcadero."

DTSC Response 7

DTSC is the lead environmental agency responsible for oversight of investigation and cleanup activities at the Site and for evaluating potential environmental impacts at the Site. Current and future land use is determined by the property owner, MBPC, and by any zoning requirements imposed by the City of Morro Bay, or their successors. Land use restrictions will be specified as required in the proposed Land Use Covenant (LUC). Please see Section 3, page 4 for more information.

The Draft Revised Statement of Basis recommends that soils in a portion of AOC 1 be restricted to commercial/industrial use for soil by recording a LUC for this portion of the Site. Soil at the remaining portion of AOC 1 and at AOCs 2 through 4, the MBPC Switchyard, and AOC 6 and groundwater at AOCs 1 through 6 would have no land use restrictions. Please see Sections 4 and 7 for more information.

8. Soil management plan

"AOC-1 restrictions are "only to a portion" of the area and will allow commercial/industrial uses. What portion is restricted and how will soil samples be taken in the future if a 27-acre battery storage facility is built in the AOC-1 area?"

"In the digging up of and transplant of contaminated soil, I would like to see the detailed plan."

DTSC Response 8

Required as part of the remedy, a land use covenant on 20.51 acres of AOC-1 will restrict the property to commercial/industrial use. The land use covenant will require DTSC approval of a soil management plan (SMP) before grading or excavating on the

restricted portion. The SMP will discuss how the soil will be managed, including protecting human health and the environment, and if additional soil sampling is needed.

The SMP describes the activities necessary to manage contaminated soil that remains at the Site once the remedy is implemented. Of note, the SMP describes the general requirements for managing the contaminated soil, but activity-specific plans may be created by MBPC or their contractors to implement a specific activity or activities. If work outside the scope of the SMP is to be performed, these additional plans would be shared with DTSC for DTSC approval or the SMP might be updated, as appropriate. Otherwise, the review of the SMP should give a sense of how all soil management activities will be addressed through the portion of AOC 1 requiring it. The SMP can be found at the following hyperlink: [Hyperlink for the Morro Bay Power Plant on DTSC's database Envirostor \(https://www.envirostor.dtsc.ca.gov/public/profile_report.asp?global_id=80001832\)](https://www.envirostor.dtsc.ca.gov/public/profile_report.asp?global_id=80001832). To find the SMP, go to the 'Facilities/Docs' tab, and find the document titled 'Soil Management Plan for a portion of the Tank Farm (AOC 1).'

9. The Stacks and MBPC property use

"If the stacks and main building come down on this property, will DTSC have to start all over again with the area under-stacks and main building?"

""Leave the stacks" alone without them it won't be Morro Bay!"

DTSC Response 9

The smokestacks and power building are both considered part of AOC 7, and AOC 7 is not part of the present remedy since this AOC has yet to be investigated. When it is investigated, it will go through this same process that the other AOCs and areas outside of the AOCs at the Site have gone through. However, DTSC does not look at this as 'starting over.' Determinations are already being proposed for the other areas of the Site based on existing data. Once those determinations are made, starting environmental investigations at AOC 7 will not necessarily reopen all previous determinations. It is possible that environmental investigations at AOC 7 could expand beyond the boundaries of this AOC, dependent on what is found. However, the historical data identifies that most of the releases of petroleum from historical operations has degraded. Thus, it is unlikely that new contamination expanding beyond the boundaries of AOC 7 will be found, which is what would be required for reopening of previously made determinations. Also, if such contamination already existed in areas outside of AOC 7, it would likely have been previously detected. Since there is no specific evidence of a release in Site groundwater from AOC 7, the future investigations of AOC 7, if finding any contamination, will be unlikely to reopen any determinations being made now.

DTSC is aware that the City of Morro Bay (City) has an agreement with the MBPC which does allow the City to eliminate the stacks at the MBPC-portion of the Morro Bay Power Plant. The City has already made the decision to have the stacks demolished, through official letter to the MBPC. However, DTSC has no authority to dictate whether MBPC or the City keeps the smokestacks or not.

6.0 CONCLUSIONS AND RECOMMENDATIONS

After considering the above comments and the SLHHRA and the SLRARGW for soil and groundwater, respectively, DTSC concludes that the proposed revised remedy does not require any changes.

Since the remedy was compared to other alternatives using the nine federal criteria, and the comments received did not require changing the proposed revised remedy, DTSC hereby accepts the Draft Revised Statement of Basis as appropriate. DTSC will take the following steps to approve and implement the remedy:

- The Draft Revised Statement of Basis will be made Final, signed, and posted to DTSC’s environmental database Envirostor.
- DTSC will prepare the Land Use Covenant and once it is ready, will sign it, transmit it to MBPC representatives to sign it, and then MBPC will record it with the San Luis Obispo County Assessor’s Office. The original copy of the recorded LUC will be transmitted to DTSC for the Administrative Record for the Site, and DTSC will post a digitized copy to DTSC’s environmental database Envirostor.
- DTSC will prepare corrective action completion determination letters for both PG&E and Dynegy to document investigation of these AOCs and conclusions DTSC is making concerning the various portions of the property presently investigated.

The above items in the bullet points are expected to occur through June 2022.

Prepared by:

John Bystra
Project Manager
DTSC Sacramento Office

6/2/2022

Date

Attachment 1 – Site Location Map



Attachment 2 – DTSC Community Update/Public Notice

CLEANUP PROGRAM

October 2021

COMMUNITY UPDATE

Department of Toxic Substances Control – Our mission is to protect the people, communities, and environment of California from harmful chemicals by cleaning up contaminated sites, enforcing hazardous waste laws, and compelling the development of safer products.

Morro Bay Power Company Portion of the Morro Bay Power Plant Public Comment for Draft Revised Statement of Basis

The Department of Toxic Substances Control (DTSC) invites you to review and comment on the draft Revised Statement of Basis for the Morro Bay Power Company portion of the Morro Bay Power Plant (Site), located at 1290 Embarcadero in Morro Bay, California. The draft Revised Statement of Basis explains the proposed remedy for contamination at eight Areas of Concern (AOCs) at the Site. The proposed remedy addresses chemicals of concern found in soil and groundwater mostly from past power generating activities, including total petroleum hydrocarbons (TPH), polycyclic aromatic hydrocarbons (PAHs), metals, pesticides, and volatile organic compounds (VOCs).

Site Location and History

The 131-acre Site is on the northern shore of Morro Bay near the southern part of Estero Bay. Starting in 1941, the Site was owned by the US Navy as an amphibious training base. Pacific Gas and Electric Company (PG&E) purchased the property in 1951 and began constructing the former power plant in 1953. The plant began generating electricity in 1955, using natural gas and oil as fuel. Fuel was stored in six aboveground storage tanks until 1995, when the plant switched to using only natural gas. In 1998, Duke Energy purchased the Site. In 2006, LS Power acquired the Site, then merged with Dynegy in April 2007. In 2020, Dynegy changed its name to the Morro Bay Power Company (MBPC). The power plant closed in 2014. PG&E remains responsible for investigating and addressing Site contamination from historical power generation activities.

PUBLIC COMMENT PERIOD & MEETING October 14, 2021 to December 9, 2021

DTSC invites you to review and comment on the draft Statement of Basis for the Morro Bay Power Plant. All comments must be mailed or emailed by **December 9, 2021** to:

John Bystra
DTSC Project Manager
8800 Cal Center Drive
Sacramento, CA 95826
John.Bystra@dtsc.ca.gov

Public Meeting: DTSC will host a virtual public meeting to provide information on the draft Statement of Basis, answer questions and receive public comments:

Date: November 16, 2021

Time: 6:00 to 8:00 PM

Please register for the meeting in advance at: <https://tinyurl.com/MorroBayPlant>

Department of Toxic Substances Control

Areas of Concern Environmental Investigations

In 2006, DTSC and PG&E entered into a Resource Conservation and Recovery Act (RCRA) Corrective Action Consent Agreement that identified eight AOCs for environmental investigation and potential cleanup. As shown in Figure 1, these include:

AOC 1 – Former Tank Farm Area	AOC 2 – Beach Valve Area
AOC 3 – Fire House #1	AOC 4 – Storage Area
AOC 5 – The Switchyard	AOC 6 – Multi-Use Area
AOC 7 – Power Building	AOC 8 – the Waste Metal Cleaning Ponds

Investigations identified contaminants above levels for unrestricted use in soil in a portion of AOC 1. AOC 7 is currently inaccessible due to existing buildings and/or active operations and will be addressed in the future. AOC 8 was addressed by the facility in accordance with the RCRA closure process in 2008.

Previously Proposed Remedy

The proposed remedy in the original Statement of Basis was for the property owner to record a Land Use Covenant (LUC) on AOCs 1 through 4 and 6. AOCs 5 and 7 were not fully accessible, and AOC 8 has already been clean closed through DTSC. The LUC would not allow residential use on any of these AOCs and would require a soil management plan to verify that future soil use complies with commercial/industrial use at these AOCs. Also, groundwater would be restricted, not allowing potable or drinking uses. These restrictions require annual inspection and reporting that this remedy is still protective of human health and the environment.

Proposed Revised Remedy

MBPC submitted documents demonstrating that most of the Site's soil does not require a LUC and that Site groundwater is appropriate for unrestricted use. As such, the proposed remedy in the Revised Statement of Basis restricts only a portion of AOC 1 soil to commercial/industrial use through a LUC and allows for unrestricted land use at AOCs 2 through 6. Also, the revised proposed remedy allows full unrestricted use of groundwater at all AOCs at the site. The restriction on a portion of AOC 1 soil still requires annual inspection and reporting that this remedy is still protective of human health and the environment. For more details, please review the Revised Statement of Basis.

If the Revised Statement of Basis is approved in early 2022, then DTSC will work with MBPC to record the LUC with San Luis Obispo County later that year.

California Environmental Quality Act (CEQA)

The remedy will not require construction or implementation of a physical remedy and therefore is exempt from CEQA.

Next Steps

At the end of the public comment period, DTSC will review and consider all public comments and make any necessary changes before making a final decision on the draft Revised Statement of Basis. DTSC will send a Responsiveness Summary document addressing all comments received to all those who commented and provided contact information.

Department of Toxic Substances Control

Information Repositories

The Draft Revised Statement of Basis and other Site-related documents are available to review at the following locations:

- Morro Bay Public Library, 625 Harbor Street, Morro Bay, CA 93442, (805) 772-6394; call for hours
- DTSC – File Room, 8800 Cal Center Drive, Sacramento, CA 95826, (916) 255-3758; call for an appointment
- You can also view Site-related information on DTSC’s EnviroStor at:
https://www.envirostor.dtsc.ca.gov/public/profile_report?global_id=80001832

For more information about the cleanup process or related documents, contact:

- John Bystra, Project Manager at (916) 255-3669 or John.Bystra@dtsc.ca.gov
- Kerry Rasmussen, Public Participation Specialist at (916) 255-3650, toll-free at (866) 495-5651 or Kerry.Rasmussen@dtsc.ca.gov
- For media requests, please contact: Sandford Nax, Public Information Officer at (916) 327-6114 or Sandford.Nax@dtsc.ca.gov

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Hearing impaired individuals may use the California Relay Service at 711 or 800-735-2929 TTY/VCO/HCO to voice.



Additional information on DTSC sites can be found through our [EnviroStor](#). (rev. 5-2020)

October 2021

DTSC PUBLIC NOTICE

Department of Toxic Substances Control – Our mission is to protect the people, communities, and environment of California from harmful chemicals by cleaning up contaminated sites, enforcing hazardous waste laws, and compelling the development of safer products.

Draft Revised Statement of Basis Available for Review Morro Bay Power Company portion of the Morro Bay Power Plant 1290 Embarcadero, Morro Bay, California Public Comment Period: October 14, 2021 to December 9, 2021

WHAT IS BEING PROPOSED? The California Department of Toxic Substances Control (DTSC) invites you to review and comment on a proposed plan, called a draft Revised Statement of Basis, to manage contamination in select areas at the Morro Bay Power Plant located at 1290 Embarcadero in Morro Bay (Site). Pacific Gas and Electric Company (PG&E) began generating electricity at the power plant in 1955 using either natural gas or oil as a fuel source. In 1998, PG&E transferred ownership of the Site to Duke Energy Morro Bay, LLC and then to Dynegy. In 2014, Dynegy closed the power plant. In 2020, Dynegy changed its name to the Morro Bay Power Company (MBPC). As the original owner of the power plant, PG&E remains responsible for investigating and addressing environmental conditions resulting from historical power generation activities. Any actions to demolish or redevelop the property are not a part of this project and will be handled separately by MBPC.

PG&E and MBPC have conducted environmental investigations at the Site that have found the presence of total petroleum hydrocarbons (TPH) and metals in soil that are greater than residential levels in a portion of AOC 1. To address these chemicals of concern, the Revised Statement of Basis proposes managing impacts in place by implementing a land use covenant (LUC) that restricts select areas of the Site to future commercial/industrial uses. A Soil Management Plan has also been established that describes the safe handling and disposal of contaminated soil should it be disturbed during any future earthmoving work. DTSC would also require the current property owner to conduct annual inspections and reporting to ensure the land use remains compliant with the LUC and that the site use remains protective over time. This proposed remedy would offer long-term protection of human health and the environment under approved land uses without causing any disruption to the community.

CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA): The remedy will not require construction or implementation of a physical remedy and therefore is exempt from CEQA.

HOW DO I PARTICIPATE? During the public comment period, from **October 14 to December 9, 2021**, we encourage you to review the draft Revised Statement of Basis. Please send comments no later than **December 9, 2021** to: John Bystra, Project Manager, DTSC Sacramento Office, 8800 Cal Center Drive, Sacramento, CA 95826 or by e-mail to John.Bystra@dtsc.ca.gov. DTSC will also hold a public meeting on Zoom on November 16, 2021, from 6:00 PM to 8:00 PM, to present information about this Revised Statement of Basis and take questions and comments from the public. Please register for the meeting in advance at: <https://tinyurl.com/MorroBayPlant>.

WHERE DO I GET MORE INFORMATION?

- Morro Bay Public Library - 625 Harbor Street, Morro Bay, CA 93442; (805) 772-6394; call for hours
- DTSC – File Room, 8800 Cal Center Drive, Sacramento, CA 95826; (916) 255-3758; call for an appointment
- DTSC's EnviroStor database:
https://www.envirostor.dtsc.ca.gov/public/profile_report?global_id=80001832
- **CONTACT INFORMATION:** For questions, please contact:
 - John Bystra, Project Manager, at (916) 255-3669, or John.Bystra@dtsc.ca.gov
 - Kerry Rasmussen, Public Participation Specialist, at (916) 255-3650, toll free at (866) 495-5651, or Kerry.Rasmussen@dtsc.ca.gov
 - **For media requests:** Sanford Nax, Public Information Officer, (916) 327-6114 or Sanford.Nax@dtsc.ca.gov



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Attachment 3 – Public Meeting Transcript

Kerry Rasmussen - DTSC: Good evening, thank you for joining us. We are going to wait just a few minutes, so that everyone can have the chance to join us.

Kerry Rasmussen - DTSC: I see more people trickling in right now. We'll just give it one more minute, so that everyone has a chance to see the meeting from the beginning, so stay with us.

Kerry Rasmussen - DTSC: Good evening and thank you for joining us. We're so glad that you're all here this evening, we want to welcome you for this public meeting.

Kerry Rasmussen - DTSC: This public meeting will focus on the Revised Statement of Basis for the Morro Bay Power Company Portion of the Morro Bay Power Plant. This is a public meeting. Today is November 16, it is six o'clock pm, and we plan to go until around eight o'clock pm. Next slide.

Kerry Rasmussen - DTSC: Tonight, the meeting presenters include myself, Kerry Rasmussen, I'm a DTSC Public Participation Specialist for the Department of Toxic Substances Control.

Kerry Rasmussen - DTSC: And I will be joined by John Bystra here on video, he is the DTSC Project Manager and he will be presenting about the Site this evening. Next slide.

Kerry Rasmussen - DTSC: We have a few meeting guidelines. First, we want to make sure that you all know that this meeting is being recorded. You're all muted for background noise. If you have any questions during the meeting, like what time does it end or any basic questions, feel free to type them in the Q&A function, and we will do our best to answer any technical questions during the meeting.

Kerry Rasmussen - DTSC: The chat will be used to send information out to you, such as websites or any information like that that you may want to be able to reference throughout the meeting.

Kerry Rasmussen - DTSC: We do have automatic closed captions turned on and, if you would like to be able to read, you can click on the CC live transcript button, and go to show subtitles, and you can click that. If you would like the subtitles larger or smaller there are subtitles settings there as well, so feel free to use those, if you like. Next slide.

Kerry Rasmussen - DTSC: Tonight's meeting agenda includes this welcome and introduction, followed by the presentation by John Bystra, and we'll follow that by a Question and Answer session. So if, during the meeting, if you have any questions that you would like answered this evening, you can ask them in a Question and Answer session.

Kerry Rasmussen - DTSC: We will follow that by formal public comments. And we will not be answering the public comments, but you can ask a question to help inform your public comments that you either turn in tonight, or you turn in during this public comment period.

Kerry Rasmussen - DTSC: And we will be doing that at around 6:50.

Kerry Rasmussen - DTSC: We plan to have the closing and the next steps covered at 7:50pm ending at around eight o'clock pm.

Kerry Rasmussen - DTSC: And now, without any further ado, I would like to introduce Mr. John Bystra.

John Bystra - DTSC: Thank you, Kerry. Welcome everyone to this meeting, and I hope it gives you a lot of good and useful information. So, why don't we go to the next slide.

John Bystra - DTSC: The purpose of DTSC and our mission is highlighted on this slide, and basically our mission is to protect the people of California and the environment from toxic substances in various ways.

John Bystra - DTSC: Both in a reactive way, if there's a release that threatens human health or the environment, getting that release cleaned up.

John Bystra - DTSC: And through enforcement activities, and proactively trying to make sure that people reduce hazardous waste generation.

John Bystra - DTSC: And also encouraging the manufacturing of chemically safer products. So, this is where DTSC regulatory authority lies.

John Bystra - DTSC: So, if there's no chemical impacts at a project or a site that pose a risk either human health or the environment, DTSC would not be involved, since we have no authority.

John Bystra - DTSC: One other thing that I would like to point out is that the property that we're going to be talking about tonight, we don't own this property.

John Bystra - DTSC: So we don't... DTSC does not dictate how a property owner uses a piece of property, unless the planned use would create a risk to human health or the environment.

John Bystra - DTSC: So, in future slides and we talk about potential future use of this property. It's from a technical standpoint as to what's possible based on the risks at the site, not based on what say Vistra wants to do with the property, or the City of Morro Bay would like to do with a property, or anyone in the public. Next slide please.

John Bystra - DTSC: So, before I talk about where we are in this process, I want to talk about this cleanup process in general.

John Bystra - DTSC: And this slide shows the process from start to finish. While in different types of projects or different types of programs, the terminology may be different and the laws that govern them, this process on this slide generally reflects what's occurring at the Morro Bay Power Plant and the Morro Bay Power Company portion of the Power Plant.

John Bystra - DTSC: And a few slides from now we'll talk about some of the various documents and activities that have taken place, historically and recently, at the Morro Bay Power Company portion of the Morro Bay Power Plant.

John Bystra - DTSC: But I want to give a few general descriptions of it. So the first step in the process, the Facility Assessment.

John Bystra - DTSC: Since it is the first step, usually it's just to determine whether... it's used to determine whether there's any likely contamination at a project or site or not.

John Bystra - DTSC: It's also the step where we would try to determine if there's an imminent substantial endangerment or threat to human health or the environment.

John Bystra - DTSC: If there is such a threat, normally DTSC would dictate to someone to take immediate measures to reduce that threat to manageable levels and then go on through the process, as is normal.

John Bystra - DTSC: So, for example, someone may say, "Oh, there are drums there that are leaking, they're causing a threat, please remove those drums." Once the drums are removed, we can progress through the process.

John Bystra - DTSC: Now the Facility Investigation is the main step, where you get not only all historical data, but you acquire data at the site that supports the plan for determined to be necessary at that site. So, you get all sorts of environmental data to characterize the site.

John Bystra - DTSC: The Corrective Measures Study is where all the potential types of cleanup actions are considered and analyzed for the site, based on the data from the previous steps.

John Bystra - DTSC: For simple sites with limited contamination, one of the things I do want to point out is that a Corrective Measures Study may not be necessary.

John Bystra - DTSC: Now the Statement of Basis is... that's where we are in the project, right now. It's where, based on what is proposed, either in the corrective measures, study or other documents that DTSC says what is the remedy we're choosing, what is the basis for that.

John Bystra - DTSC: And then, again, this is where we normally choose what the remedy will be based on what the what the environmental data tells us.

John Bystra - DTSC: And then the last step is the Corrective Measures Implementation. It's where the remedy is implemented, whatever the remedy is: some sort of clean up, doing nothing. From the full gambit of doing everything to doing nothing, somewhere in there is the remedy that's chosen for the site that's appropriate to protect human health and the environment.

John Bystra - DTSC: I did see that we have some questions in the audience. Kerry, do you want us to carry them forward, or should we try to answer them now.

Kerry Rasmussen - DTSC: Good question.

Kerry Rasmussen - DTSC: So, I'm taking a look at them and I think some of them you're going to get to eventually. If you like, I could read them to you.

John Bystra - DTSC: I'm looking at them right now. You know what, yeah these... Yeah, in fact, the first two questions I think will be answered with the presentation that we give. The last

question is an excellent question, I think that we should probably leave that towards the end because the information that we give people in here may help flesh that question out. So, attendees, please hold onto your questions. We do see them, and I think some of the questions will be answered through the presentation, so why don't we just continue forward.

Kerry Rasmussen - DTSC: Sounds good.

John Bystra - DTSC: Okay. Thank you and thank you everyone for your patience. Next slide please.

John Bystra - DTSC: So, I want to be able to orient people towards the Site, whether you're that familiar with it or not. There's going to be a very similar map on the next two slides.

John Bystra - DTSC: This first map shows the Morro Bay Power Plant and some of the surrounding areas. So a few things that I want to note: so that dark blue line.

John Bystra - DTSC: That dark blue line indicates the portion of the Power Plant that's owned by the Morro Bay Power Company. And we'll talk about the Morro Bay Power Company and their relation to this draw shortly, within a few slides.

John Bystra - DTSC: The red portion that's shaded on the figure, that is the portion of the property that's still owned by PG&E.

John Bystra - DTSC: First of all, you know, one of the reasons why I say the Morro Bay Power Company portion of the Morro Bay Power Plant is that the historical property that represented the entire power plant is not owned by the present property owner, most of it is owned by the present property owner, but a portion of it is still owned by PG&E.

John Bystra - DTSC: A few other things to note: this dark blue line cuts through one of the Areas of Concern that we're going to discuss on the next slide, and that's the switch yard, which is known as AOC 5, which is in the Center, which is a generally rectangular-shaped area of concern in the center of the map. So the other thing I want to point out is that some of these blue areas, you'll notice the AOC's don't represent 100% of the property.

John Bystra - DTSC: These beige areas, those are the Areas of Concern. Those are where we have environmental data that shows us and historical knowledge that tells us that this is where historical facility operations took place, and this is where it is most likely, if we had any contamination, where it would be.

John Bystra - DTSC: The last thing I want to note on this slide is that this Revised Statement of Basis does not address two of the Areas of Concern on this map.

John Bystra - DTSC: One is Area of Concern 7, which is the power building, which we'll see on the next slide, but also includes the stacks.

John Bystra - DTSC: The other Area of Concern that is not addressed by this proposed remedy is Area of Concern 8, which are the metal waste cleaning ponds. And that's because they were closed in 2008 and they were given clean closure by DTSC, which means that the property owner doesn't need to take any actions in order to ensure that that is protective of human health and the environment in the future. Next slide please.

John Bystra - DTSC: Now this map is going to look very similar, but we tried to simplify it a little bit. And this map really is just to talk about the different Areas of Concern at the site.

John Bystra - DTSC: So, Area of Concern 1 is the former tank farm. That's the large beige and crossed-hatch area in the northwest corner or upper left corner of the of the figure.

John Bystra - DTSC: Area of Concern 2, the beach valve area, is a polygon that's right below it in beige and it's closer to the beach, hence the beach valve area. Area of Concern 3 is Firehouse Number One. It was an actual firehouse, you know, what you would think of as a firehouse for fighting any fires that took place on the facility. It's to the south and east of the beach valve area and the former tank farm.

John Bystra - DTSC: Area of Concern 4 is extremely small, it's hard to see, it's a storage area. That's i between the power building and the switchyard to the north.

John Bystra - DTSC: Area of Concern 5 is the switchyard. That's where voltage was stepped up and down from the electricity generating operations in order to send that out to the grid.

John Bystra - DTSC: Area of Concern 6, multi-use area. It's to the right and lower corner of the figure.

John Bystra - DTSC: Area of Concern 7 is the power building. Now I say it's the power building, but it also includes the sacks.

John Bystra - DTSC: And Area of Concern 8, again, is the medical waste cleaning ponds. That was a formerly permitted unit that was permitted through DTSC, and when they shut down the permit for it, they closed out the units, they clean closed it. Next slide please.

John Bystra - DTSC: To give a sense of the historical site activities, PG&E had purchased this property in the early '50s and they operated for over 40 years before selling a portion of the power plant to Duke Energy Morro Bay LLC in 1998. Then the property was purchased from Duke to Dynegy Morro Bay LLC, who then operated the site with its hazardous waste permit from 1998 to 2008.

John Bystra - DTSC: In the early 2000s, Dynegy closed the metal waste cleaning ponds and then they went through the closure process through DTSC and received clean closure in 2000.

John Bystra - DTSC: Due to a lack of need for the power plant to operate continuously or mostly continuously, Dynegy closed down the power plant in 2014. Now, the Morro Bay Power Plant was never designed to be on all the time, it was really for operating during peak hours, when the Moss Landing Power Plant could not produce enough electricity in the area, so that the Morro Bay Plant would have to start up and then shut down. And that's a very expensive process, Dynegy decided to close the power plant in 2014 because, presumably, it just wasn't very effective.

John Bystra - DTSC: So in late 2020, Dynegy Morro Bay LLC changed their name to the Morro Bay Power Company.

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John Bystra - DTSC: However, most of you in this meeting have probably heard the name Vistra mentioned, both in the meeting for the city that took place a few months ago for the City of Morro Bay.

John Bystra - DTSC: Vistra is the parent company of the Morro Bay Power Company so in the future, when I talk about the property owner, I'm going to say Vistra rather than the Morro Bay Power Company.

John Bystra - DTSC: So, as a requirement for PG&E selling the main portion of the Morro Bay Power Plant to Vistra, PG&E retained environmental liability for investigating the site and cleanup of any areas that historical contamination was likely caused through PG&E operations. This will be more fully discussed in the next slide.

John Bystra - DTSC: One thing to know is that PG&E could potentially propose any remedy for the site, but Vistra, as the present property owner, would need to implement any long term components of the remedy or any kind of permanent features of the remedy, so it's not very easily distinguishable when PG&E should be doing something sometimes versus when Vistra should. Next slide please.

John Bystra - DTSC: Next slide please. Sarah, could you let me know if you see slide 10 on the screen.

John Bystra - DTSC: Could you go back one slide place.

John Bystra - DTSC: Sorry for the technical difficulties, everyone. We'll get running back here in a moment.

John Bystra - DTSC: Well, let me try this, I do have a slides open on my desktop as well on another screen, and I can show them if need be. I'll give you another minute to try to resolve this issue, but if it doesn't work, then I can operate the slides from my screen as needed.

Kerry Rasmussen - DTSC: Thank you all for your patience. We will get this back up and running in just a moment. John and I are both poised and ready to take on the screen share.

Kerry Rasmussen - DTSC: Okay, she has her hand up. Yes, Sarah.

Kerry Rasmussen - DTSC: I can see, she is working hard at bringing the slides back. John, do you have yours ready to go?

John Bystra - DTSC: I believe I do. Let me see.

Kerry Rasmussen - DTSC: If not just let me know.

John Bystra - DTSC: I have, I have mine set up... when I try to... let me look at it really quick... now mine's going to show the other slides I don't know if that's problematic.

Kerry Rasmussen - DTSC: You just go to where it's at up.

John Bystra - DTSC: Oh well, I know, but when I tried to do it that way, it does some strange thing.

Kerry Rasmussen - DTSC: Would you like me to do it, I can.

John Bystra - DTSC: Yes, please.

Kerry Rasmussen - DTSC: Okay. Alright, are we seeing slide 10?

John Bystra - DTSC: Yes, we are.

John Bystra - DTSC: Excellent. Okay, thank you, Kerry, and thanks Sarah for trying to work those issues out. Sorry everyone, you know you try to make everything perfect but things just don't end up perfect, but here we are. So, slide 10 talking about previous site investigations performed by PG&E. So on the previous slides we talked about the process itself, now here's what documents and activities have actually occurred on the Morro Bay Power Plant site.

John Bystra - DTSC: They started with a RCRA or a Facility Assessment, which is like we talked about in two slides ago of the beginning of the process to identify where the general areas of problems or potential contamination. Then that was followed by a few phase one and phase two environmental site assessments.

John Bystra - DTSC: And those were used to better clarify the likely areas and degree of contamination, not conclusively, but at least to say, "Oh, this area does look like it's contaminated this, other area doesn't look like it's contaminated," to try to understand what the baseline conditions are.

John Bystra - DTSC: There was some work that PG&E did early on, when this property was in the process of selling this property to then Duke energy.

John Bystra - DTSC: And to actually remediate the oil transfer pond there, which isn't discussed in any of these documents, because, again, it was identified early on in the process and areas that might be identified early on, that it's determined there's no risk, or there are issues and the issues are addressed later in the process, then those aren't discussed in subsequent DTSC documents or subsequent documents, because those have already been addressed through the historical activities in the process.

John Bystra - DTSC: One of the things I do want to point out is that early on, this work was all being done under the United States Environmental Protection Agency.

John Bystra - DTSC: Where and then in 2001 they delegated it to DTSC as being the lead agency.

John Bystra - DTSC: In 2006, DTSC and PG&E signed a consent agreement, which laid out the terms of how PG&E would investigate the site. And then afterwards, PG&E began investigation process, did some large scale investigations across the entire site and soil and groundwater.

John Bystra - DTSC: And after those investigations and after a number of years of groundwater monitoring, they felt they had enough data to put that information into the risk assessments that are in the latter half of this slide. Next slide please.

John Bystra - DTSC: I'm not showing this map because I want you to be able to see all of the details, I want to show you this map really to give you a sense of everywhere where samples

were taken and to give a sense that this was not just a site where it's a small site, there were a couple samples taken and that's it. There were hundreds of soil samples over a number of years.

John Bystra - DTSC: At one point in time, there are probably over 30 groundwater wells, and many of those wells, 24 of them, in fact, were used for approximately six years to evaluate groundwater conditions at the site.

John Bystra - DTSC: So, you'll also see that, outside of the AOCs, which are just mostly contained within the black lines and a lot of the samples taking place in them, there's also samples that were acquired outside of the AOCs.

John Bystra - DTSC: These samples were acquired to demonstrate that there are no other areas of concern at the site.

John Bystra - DTSC: One thing that's important to mention is that the Revised Statement of Basis and the original Statement of Basis did not mention any of these areas outside of the areas of concern. When a site is investigated, the requirement is normally that the investigation take place on the entire property, which is called fence line to fence line investigations, or it's a term we use for it. Since a lot of areas were sampled and these areas had no significant contamination, they don't need to be further investigated, and they can be used in any way that is appropriate by Vistra because they're not impacted areas. It's one of the reasons why we discriminate between Areas of Concern and the rest of the site, anyway. Next slide please.

John Bystra - DTSC: So the results of those investigations.

John Bystra - DTSC: So when PG&E looked for contamination at the site, they looked for a variety of compounds that are listed here on the slide.

John Bystra - DTSC: Petroleum Hydrocarbons or Total Petroleum Hydrocarbons or TPH are fuel oils that are burned to generate electricity, there are various kinds of TPH compounds.

John Bystra - DTSC: Polynuclear Aromatic Hydrocarbons, PAHs, they are often within TPH compounds. So if you find TPH, you can find PAHs as well.

John Bystra - DTSC: Volatile and Semivolatile Organic Compounds, those are used as cleaning agents. Metals. Well, metals are ubiquitous. They're naturally occurring in the soil, but things that are made of metal that break down over time can leave metals in soil or groundwater or above.

John Bystra - DTSC: And Polychlorinated Biphenyls. Those are used in transformers, which are what the switchyard is primarily composed of. And then pesticides, the use of pesticides is also ubiquitous. Getting rid of pests, getting rid of weeds and those sorts of things. So, PG&E analyzed for all of these chemicals because it's possible all of them could be across the site.

John Bystra - DTSC: But this list is not the chemicals of concern, this is the potential chemicals of concern. Normally somebody goes out with this list, knowing that they're not going to find everything, but what they do find then becomes their chemicals of concern for the site.

John Bystra - DTSC: Now, the second and third main bullet points on the slide just summarize the PG&E investigations.

John Bystra - DTSC: In soil, the impacts were just Petroleum Hydrocarbons or Total Petroleum Hydrocarbons. And they were typically only located in shallow soil and in isolated areas, so we didn't find a number of spots that would show that there was a large area of soil contamination. Small, isolated areas of soil contamination.

John Bystra - DTSC: And frankly, most of those were located in Area of Concern 1.

John Bystra - DTSC: So, in groundwater, Petroleum Hydrocarbons or Total Petroleum Hydrocarbons were also the primary contaminant above screening levels.

John Bystra - DTSC: Screening levels are used by environmental agencies to determine... it's a number that is low and appropriate to determine if you have an exceedance of a screening level, that means that there could be contamination that is at a level of concern.

John Bystra - DTSC: The screening level show that in groundwater, yes, Petroleum Hydrocarbons were the primary contaminant, but one thing I also want to point out is that there is never a plume found.

John Bystra - DTSC: Now a plume... What's typical at sites like these, is that you will find an area very concentrated contamination that becomes less contaminated as it flows in the direction of groundwater flow.

John Bystra - DTSC: And that was never found at the site. There were a few areas, a few wells, where there was contamination in those wells, but if you look up gradients from those wells in the direction of where water is flowing from and then downgrading where water is flowing to, you didn't see the contamination still.

John Bystra - DTSC: And there were enough wells in these areas, that it would have been very likely to see this contamination, if it existed. So it's a good thing that there was no plume because then that means that we don't have a source that is continuing to deliver contamination in groundwater, but we'll discuss that a little bit more in future slides. Next slide please.

John Bystra - DTSC: Now PG&E used all this data and they wrapped it up into two documents to try to evaluate the risk at the site, both for human health, in their Human Health Risk Assessment and then in the Screening Level Risk Assessment that we'll talk about on the next slide. So, in the Human Health Risk Assessment, using all of the site data, PG&E determined that really Areas of Concern 1, the former tank area, and Area of Concern 2, the beach valve area, have soil impacts, and the soil impacts are from Petroleum Hydrocarbons.

John Bystra - DTSC: Now the PG&E risk assessment or Human Health Risk Assessment, also determined that no remedial actions are necessary for the other areas of concern for site soil.

John Bystra - DTSC: But one thing to consider is that PG&E did not evaluate on site residential receptors.

John Bystra - DTSC: So, in comparison, in groundwater, Petroleum Hydrocarbons were also detected above risk levels in both the beach valve area. And for arsenic, which showed up in

metals in the groundwater, was both in the beach valve area and a well near Area of Concern 5, which is the switchyard.

John Bystra - DTSC: Now one thing to point out is that all of the other site wells, the other 22, did not identify any exceedences over the four to six years that they were monitored. Different wells were monitored for different periods of time.

John Bystra - DTSC: And the arsenic that was detected in these wells actually dropped to below maximum contaminant levels, which is a standard that is used to evaluate whether something is appropriate for drinking water. A standard, not necessarily the only standard.

John Bystra - DTSC: But these arsenic levels were elevated for a time, but then dropped to below these maximum contaminant levels.

John Bystra - DTSC: And then the Petroleum Hydrocarbons, sometimes would be slightly above, sometimes would be slightly below, and just varied over time. Next slide please.

John Bystra - DTSC: The other document that was produced to evaluate risk was this Screening Level Ecological Risk Assessment, which was used to calculate potential risks, the environmental receptors not necessarily that were at the site, but that could be.

John Bystra - DTSC: The types of ecological receptors generally are usually things such as plants, birds and mammals, but also considers different scenarios like, is this contamination high enough to transport to Morro Creek or Morro Bay or another surface water body?

John Bystra - DTSC: These things were evaluated, and a general description of the results are on this slide. First thing to point out is that the Screening Level Ecological Risk Assessment didn't address every single area of concern at the site and it didn't do that for very good reasons. Areas 1, 2 and 3 were the only areas that really had habitat. Areas of Concern 3 and 4 have no habitat.

John Bystra - DTSC: They're not buildings right... well actually both of those I think are still in existence... so they have no habitat and they're buildings and then same thing with Areas 5 and 7.

John Bystra - DTSC: There's existing structures, so there can't be habitat for any of these ecological receptors. And then AOC 8 was already given clean closure but it's a large open area that's much like pools, because there were cleaning ponds, so also not useful for habitat. So when this assessment was done, the results are, in AOC 1, groundwater is not a concern. It didn't say the soil is not a concern because Total Petroleum Hydrocarbons are the significant contaminant... that's the only significant contaminant that exists at levels in these different areas that could be of concern.

John Bystra - DTSC: However, environmental receptors... evaluating risk... it's difficult to evaluate Petroleum Hydrocarbons because they're a mixture of chemicals, rather than just a single chemical.

John Bystra - DTSC: However, the Petroleum Hydrocarbons impacts were also limited to small areas, thus, this would not likely create a risk for ecological receptors.

John Bystra - DTSC: The groundwater evaluation show that there were no present impacts and that there were unlikely any future impacts to both on-site and off-site receptors.

John Bystra - DTSC: For the Area of Concern 2, both soil and groundwater were shown to... any contamination in them were shown to not be of concern to any environmental receptors. And for Area of Concern 6, it was a similar situation, except there was a limiting situation where, if a bird with a small home range was living on the Morro Bay Power Plant in Area of Concern 6, it could be impacted by selenium levels in the soil, but we're not going to get into that discussion, because it such a very limited scenario and unlikely, it was determined to not likely be of significant concern for environmental impacts. Next slide please.

John Bystra - DTSC: So, based on all of this, PG&E proposed a remedy and the remedy they proposed in some ways is what's called a Presumptive Remedy. It's a remedy that's assumed when you have a certain situation like this.

John Bystra - DTSC: So, they propose a land use covenant for soil, limiting the Areas of Concern 1 through 4 and 6 to commercial or industrial use.

John Bystra - DTSC: For groundwater, they said well you can't use any of it without requesting it first from the DTSC on a case by case basis. And any land use covenant includes annual inspections of the property.

John Bystra - DTSC: Now, one of the reasons why this was likely a Presumptive Remedy is because this same sort of remedy was used at the Moss Landing Power Plant, which is a few hours north of Morro Bay.

John Bystra - DTSC: Since PG&E no longer owns the property and because the chemicals at the site don't exceed commercial, industrial risk levels, the land use covenant was the simplest way to ensure both human health and the environment are protected over time.

John Bystra - DTSC: And this wasn't reflected in the 2020 Draft Statement of Basis for the power plant. Now, one thing I want to point out, too, is that around this time, when PG&E originally proposed this remedy and the statement of basis was public noticed, DTSC was contacted by Vistra and Vistra wanted to discuss the proposed scope of the land use covenant. Vistra thought if they analyze the data with more of a finer tooth comb, as it were, that they would be able to demonstrate that you didn't need a land use covenant for the entire property. To make this claim and to support it, Vistra prepared a soil evaluation report and they submitted it to DTSC in the third quarter 2019. Next slide please.

John Bystra - DTSC: Now, following this, PG&E's Proposed Statement of Basis, DTSC prepared a Draft Statement of Basis, we public noticed it in March 2020.

John Bystra - DTSC: And the whole purpose of a Statement of Basis is for DTSC to propose a remedy based on what the data at the site tells us, the various remedies that could be applicable, that could protect human health and the environment, and DTSC chooses one of those. Now, because the site was... formerly used, now unused, industrial facility with chemical impacts that were isolated in certain areas, a land use covenant was reasonable to DTSC.

John Bystra - DTSC: Thus, we proposed this remedy in early 2020 just before the pandemic started or as the pandemic started.

John Bystra - DTSC: Now there are some details about the previous public comment period.

John Bystra - DTSC: Hold on please. Thank you.

John Bystra - DTSC: So, we received a large number of comments between March 2020 and May 2020. The original public comment period was meant to last 30 days. It was extended due to the pandemic and requests from the public and Morro Bay.

John Bystra - DTSC: These comments that we received, which there were over 100 of them, included letters, comment cards, emails, and even letters from other regulatory agencies and the Morro Bay City Council.

John Bystra - DTSC: Also, as part of this, a number of parties made comments concerning the analysis that was performed to determine what the potential uses of the property would be. A lot of people expressed interest in having more potential use or more potential future use of the property.

John Bystra - DTSC: Now, around this time, DTSC approved Vistra's soil evaluation document in July 2020 after the public comment period was over. Next slide please.

John Bystra - DTSC: That approval of the Vistra document, was in a way, a comment submitted by Vistra saying they thought that the land use covenant scope could change in a way that was still protective of human health and the environment. So when DTSC prepared a Responsiveness Summary to document not just the proposed remedy but identifying all the public comments received concerning the remedy, and our responses to all those comments, and then, subsequently, what our recommendations were on what to do next, part of that was we taking into account Vistra's evaluation of the soil at the site, or additional evaluation, above and beyond what had been previously done by PG&E, and that's something that was put in the Responsiveness Summary to identify how the remedy could potentially change. So, one of the things that the Responsiveness Summary is supposed to do is to identify whether the criteria that DTSC normally uses to evaluate a remedy, whether the community finds it a reasonable remedy or not.

John Bystra - DTSC: Based on the comments that we received, it didn't appear that the criteria of Community Acceptance, which is one of our criteria for evaluating remedies, it didn't appear to be met for this proposed remedy. But, Vistra's submittal of that soil evaluation report and DTSC's approval of it helped evaluate the site soil more clearly and demonstrate the land use covenant wasn't actually needed for most of the property, it would only be needed for a portion of Area of Concern 1, which is the former tank farm.

John Bystra - DTSC: So, you know, one of the things we wanted to take into account is we didn't want to prepare this Responsiveness Summary before we had approved this Vistra document or decided that we can't approve it, or what not.

John Bystra - DTSC: So it just kind of wove into the process. Now, based on public comments as well, around this time, DTSC... well slightly before this time actually, as we saw public comments start to pour in, we recommended that Vistra evaluate the site groundwater based on public comments we had received and that could potentially even further revise the Statement

of Basis, which was discussed and described in the Responsiveness Summary. Next slide please.

John Bystra - DTSC: We've finally arrived at this Revised Statement of Basis, which we've been intending to talk about this entire time so...

John Bystra - DTSC: The Revised Statement of Basis proposes a slightly different remedy compared to the PG&E remedy, and it's based on community concerns of regarding land use coming across the entire site and how that could affect or limit the uses of the property.

John Bystra - DTSC: So instead of limiting soil use at all areas of concern, only a portion of the former tank farm was identified as exceeding residential screening levels and risk levels.

John Bystra - DTSC: Thus, that portion of AOC 1 will still need our land use covenant recorded limiting it to commercial, industrial activities. All of the other areas of concern would allow for residential use.

John Bystra - DTSC: Now for groundwater.

John Bystra - DTSC: Compared to before, where limitations on groundwater use were proposed, no limitations on groundwater use are proposed now.

John Bystra - DTSC: The additional analyses that Vistra performed on groundwater identified that the groundwater didn't need any prohibitions on use.

John Bystra - DTSC: Now that being said, DTSC is not saying you want to go out and drink that groundwater. However, it's not due to any residual contamination and groundwater at the site from the historical power plant operations. It's actually because there's seawater intrusion into that groundwater and there's lots of dissolved solids that would make it a bad drinking experience. But the residual contamination from historical operations wouldn't significantly impact any use of groundwater as drinking water. Now, annual site inspections will still be required for the former tank farm area for the area that gets the recorded land use covenant. Next slide please.

John Bystra - DTSC: So, some additional details that were really a component both of the original and the revised statement basis is that this is not considered a project under the California Environmental Quality Act or CEQA. Now what that means is CEQA normally has to evaluate if a remedy will actually make things worse for the environment and public health or whether in the long term it'll make it better. Now if it's not considered a project, it's because it doesn't require any installation, doesn't require excavation, it only requires that a legal mechanism be recorded and, in this case it's a land use covenant. So, because it's not defined as a project under CEQA, it's not even just exempt from CEQA, there is no project, so CEQA analysis was not performed.

John Bystra - DTSC: It will still require Vistra or the Morro Bay Power Company, whichever you want, whichever way you want to think about it, records the land use covenant for the property.

John Bystra - DTSC: Now that land use covenant requires that a soil management plan is put into place to help manage any activities in this area.

John Bystra - DTSC: Now Vistra has already prepared such a plan. DTSC already reviewed it and already approved it. Now, however, I do want to point out the whole purpose of the public comment period is that just because we're proposing a remedy, does not mean that the remedy can't be further revised. We wait until the end of the public comment period before... and take all comments into account before we determine what the final remedy is actually going to be.

John Bystra - DTSC: But DTSC feels that this is a better remedy than it was before, because it has more potential benefits for the community and it meshes more with what some of the community's concerns were of, you know, potential future reuse of the property. And it's still protective of the human health and the environment. If it wasn't it's not something we could ever propose as a remedy. Next slide please.

John Bystra - DTSC: So, the public comment period is going to continue until December 9th. While we're having this meeting right now, that gives you still about three weeks or so, to get any public comments you want to recommend changes to the remedy or whatever is the case, to DTSC.

John Bystra - DTSC: Now, once we receive all those comments, we'll prepare another Responsiveness Summary and we'll address those public comments in, you know, for the Revised Statement of Basis within it.

John Bystra - DTSC: If every single comment just says, this is a great new remedy don't change anything, well then we will just move forward and consider the Revised Statement of Basis as final.

John Bystra - DTSC: And we'll work with Vistra to get the land use covenant recorded for the portion of the former tank farm that needs it.

John Bystra - DTSC: If any of the public comments recommend any changes to the remedy, then at that point we will consider them, we'll figure out how to answer those comments and we'll consider how the remedy might need to change in order to address those comments.

John Bystra - DTSC: And as we go to the next slide, I want to thank everyone for your patience with some of the technical issues we've had. And Kerry will tag in right now and be able to talk about the information repositories and other pertinent details, thank you, Kerry.

Kerry Rasmussen - DTSC: Excellent. Thank you so much, John.

Kerry Rasmussen - DTSC: Okay, so I have listed the information repositories up here and what those are places where you can find more information.

Kerry Rasmussen - DTSC: The first one is right there and Morro Bay it's the public library, and they have a section that has all of these documents there.

Kerry Rasmussen - DTSC: A second if you'd like to come up to Sacramento or if you're in the Sacramento area, you can call and make an appointment at our Cal Center office.

Kerry Rasmussen - DTSC: The third way is right from the comfort of your computer or phone or whatever digital device, you have, you can visit [envirostor](http://envirostor.com) and type in this site code. It's

80001832 and that's into the website www.envirostor.DTSC.ca.gov. Go to that website and then search for the site 80001832.

Kerry Rasmussen - DTSC: So if you need any more information, those are three places where you can find it.

Kerry Rasmussen - DTSC: So now it's time for the question and answers. And we already have a few in the queue that we will take a look at.

Kerry Rasmussen - DTSC: So that is one way that you can ask your question. Now, this is the time, if you have something where you would like a response from us, now is the time to ask it, because for the comments, we do not respond to them at this time. We wait until the end of the comment period, and then we send out a Responsiveness Summary.

Kerry Rasmussen - DTSC: So if you want to do a formal public comment to go into the record, we would do that not at this time, right now, but at the comment period which is following the questions and answers. This is mainly to gain clarification, if you need more information before giving your public comment, now's the time to ask questions. There are three ways to ask a question.

Kerry Rasmussen - DTSC: The first one is using zoom audio. You'll use your raise hand feature, we'll welcome you to unmute your audio when it's your turn. The second way is using the Q&A feature and we already have five questions in from that and I will go over those and make sure that we have already answered them or John can answer them in more detail.

Kerry Rasmussen - DTSC: And the third way, if you have called in this evening, which I do not see that anyone has, but if somebody had, they could press star nine and we would call up the last three digits of their phone number, they could press star six to unmute their line. But I don't see any of those.

Kerry Rasmussen - DTSC: Okay, so now's the time if you have any questions, feel free to raise your hand, and I don't see any quite yet, so we'll go over the written questions that we have up already.

Kerry Rasmussen - DTSC: So let's see... the first one is asking to describe the extent of contamination at AOC 1, the tank farm, and what are the possible uses for this. So, John, if you'd like to come back on camera, I know he mentioned that. During his presentation. Is there anything that you'd like to expand upon about that John?

John Bystra - DTSC: Well, I can describe roughly. So the extent of contamination at AOC 1, I described it previously, as you know, limited in size and area. To be more specific, so most of the contamination in AOC 1, the former tank farm, is... when somebody goes out to look for contamination, they don't just find a spot then at that spot they have some certain detection, and they say okay I've found all this contamination. They then take that spot and they step out from that spot both laterally left right forward back, as well as look deeper beneath that spot to determine what is the extent of that contamination.

John Bystra - DTSC: Now the extent of contamination at AOC 1, most of it is shallow, that is in the top 18 inches of soil, and most of it is in areas that are what I would describe as relatively small. For example, I think one of the areas might be a few feet across maybe a little bit larger,

more like five or six feet across, and if someone were going out to better characterize it or I had the reports in front of me I could better clarify, but most of this contamination is anticipated that it was from not just historical operations, but they used a corrosion inhibitor compound on the tanks on the pads that were used to support these giant, million gallon tanks or I'm not sure what the exact volume was.

John Bystra - DTSC: So the extent of contamination, I couldn't say, "Oh, it's X number of cubic yards or X number of tons of soil," however it's not as large as it sounds. These areas are scattered near the former tank. But the possible uses for this, if you're asking for possible uses of the tank farm, it would only be limited by someone's imagination, really, so I'm not sure how to answer that question differently. I hope that answers your question.

John Bystra - DTSC: Should I just go through these questions, Kerry, one at a time?

Kerry Rasmussen - DTSC: Sure, if you like, then go for it.

John Bystra - DTSC: I can do that.

John Bystra - DTSC: The next question: does a Revised Statement of Basis mean that AOCs 2 through 6 can be used for any purposes?

John Bystra - DTSC: To be clear, this Revised Statement of Basis, it does cover AOCs 1 through 6.

John Bystra - DTSC: That is because AOC 5, which is the switchyard, while it's broken up into two pieces, part owned by PG&E, part owned by Vistra - the parts that's owned by Vistra has actually been sampled and the sample results show that the AOC, the soil underneath, is not impacted. So, the Revised Statement of Basis does mean if this remedy was adopted as revised, those areas could be used for any purposes, because using it for any purpose would mean that it is protective of human health and the environment, yes.

John Bystra - DTSC: But obviously if the area is zoned commercial, for example, well then it can't be used for anything but commercial, unless the City of Morro Bay changes of the zoning. So that's one thing to consider, as part of that.

John Bystra - DTSC: I hope that answers your question, if not, follow up with a further question in the chat or Q&A.

John Bystra - DTSC: The third question is: I understand PG&E filed land use covenants on the property restricting it to industrial use only before it sold it. Does the Revised Statement of Basis extinguish those 4 areas of concern, 2 through 6?

John Bystra - DTSC: The simple answer: no, it does not. The one thing that DTSC always tries to do is to make sure that we evaluate a property against the unrestricted use scenario.

John Bystra - DTSC: Now, while technically PG&E during their evaluations of the site data didn't do so, Vistra did because obviously, in this case, it greatly benefits everyone. It benefits Vistra, it benefits DTSC, and not requiring more property be limited in use.

John Bystra - DTSC: So DTSC's determination doesn't extinguish those deed restrictions. However, it could be used by any number of parties to make the argument that since this environmental contamination doesn't exist in these areas at levels that are of concern, that those areas don't need those deed restrictions anymore. I don't know that that's DTSC's place to do that - it's just our place to say these areas are not impacted above residential screening levels, so they are appropriate for anything.

John Bystra - DTSC: I hope that answers your question.

John Bystra - DTSC: Question 4: With AOC 8 being clean closed, what does that mean for potential uses?

John Bystra - DTSC: So what that really means is that from DTSC's perspective, it's protective of human health and the environment, just as it stands, so if these metal waste cleaning ponds weren't there, then that area could be used for anything - it could be used for a school, could be used for sensitive receptors.

John Bystra - DTSC: Of course, there are waste cleaning ponds there. They're like two or three Olympic-sized swimming pools.

John Bystra - DTSC: If they were removed, and the areas were filled with clean soil, then they really could be used for anything as it stands now. You know, they don't have any great use because they're just kind of big holes that lined with concrete and potentially various liner systems that were used when it was permitted. So, I hope that answers your question. If not, put another question in the Q&A.

John Bystra - DTSC: The fifth question is: What does DTSC do to independently verify PG&E investigations?

John Bystra - DTSC: When anyone does environmental investigations, they don't just say this is what the data told us. They give us all the data, which includes all the lab reports and the lab reports tell us a lot about whether the data acquired was appropriate or not.

John Bystra - DTSC: That being said, at this project, I don't believe anyone from DTSC has gone out and acquired our own data to independently verify that PG&E data was valid.

John Bystra - DTSC: However, there again, like I said, the lab data can be used in many ways, and that lab data is especially useful in determining whether the data that was acquired was appropriate for making decisions.

John Bystra - DTSC: And so on this project DTSC did not go out and acquire our own data. We used the reports, both from PG&E and from the labs, to evaluate the data to determine if it was appropriate or not.

John Bystra - DTSC: I hope that answers your question.

John Bystra - DTSC: There is one more question I see. It asks: What remediation actions would be needed to enable AOC 1 to be used for other than industrial?

John Bystra - DTSC: Well, if any entity decided to clean up that property, likely, it would just require some limited excavation across that process that former tank farm area.

John Bystra - DTSC: Again, I don't have a good sense of exactly how much soil would need to be removed. It's possible would be a truckload or a few truckloads it's possible - it could be more than that, but the fact that the contamination that is in the former tank farm is shallow and fairly limited in scope, from the data that we have, I doubt that it would be more than a few truckloads. Cleaning up that contamination is what would be necessary to in order, in order for AOC 1 to be used for other than commercial, industrial. Basically, if someone performed that work then and they sampled and showed was no contamination left at that point, the land use covenant could be removed. Or, if that were done, for whatever reason, before the land use covenant were put in place the argument could be made that this land use covenant is not necessary at all so.

John Bystra - DTSC: I hope that answers your question. As far as I can tell, there are no other questions. Just to let the audience know, I did get indications that the Q&A options may have been impacted when Kerry Rasmussen took over, so this might be the time if people want to ask additional questions, whether it's through text or phone audio, we may need to do that. I'll bring it back to Kerry and see if she wants to you know find out what else people are asking.

Kerry Rasmussen - DTSC: Thank you so much John. I don't see any hands raised - if you're feeling like your question was not answered at this point, and you submitted a question, if you wouldn't mind raising your hand. That way we would be aware of more questions, but we do not have any more in the Q&A boxes.

Kerry Rasmussen - DTSC: Okay, I don't see any at this point.

Kerry Rasmussen - DTSC: Okay, we have no more open questions. All six questions have been answered. If you had any follow ups to the questions that were answered, please feel free to type them in the chat.

Kerry Rasmussen - DTSC: Given that we've had some technical difficulties, and we are going to move on to the formal public comment period comments, however, if I haven't seen your question yet, and you just need answered, we, of course, will answer your question, if you pose it as a question.

Kerry Rasmussen - DTSC: It's now time for the formal public comments - how to submit a formal public comment is by verbally providing your comment or typing it in the Q&A feature Secondly, you are welcome to mail it or email it to John Bystra by December 9th - we will still be accepting them through that time, so please feel free to do that.

Kerry Rasmussen - DTSC: If you would like to make a formal public comment tonight, right now, the same forums are available: through the zoom audio, the texting through the Q&A feature, or if you're on the phone, which I do not see anyone, that is, but you could place, one that way, as well.

Kerry Rasmussen - DTSC: Okay.

Kerry Rasmussen - DTSC: So, I don't see any hands up and we don't have anything new in the Q&A.

Kerry Rasmussen - DTSC: I'll give it just a minute to make sure that somebody isn't typing away right now.

Kerry Rasmussen - DTSC: I have not seen anything - please do submit them via the other methods, if you need to. I'll bring those back up.

John Bystra - DTSC: Hey Kerry.

Kerry Rasmussen - DTSC: Yes, John.

John Bystra - DTSC: So, one of the attendees did send me an email as well and indicated that the Q&A went away from them so there's no menu on the bottom and it happened when you started running the slide show. Since this is the opportunity for people to present their questions, they don't necessarily need to see a slide in order to present their comment. Maybe you could stop sharing the slideshow really quick.

John Bystra - DTSC: We'll give people a few minutes to type in any questions they may have, or make their comments rather.

Kerry Rasmussen - DTSC: I'm guessing it might have happened when Sarah had to leave the meeting and it changed, who was hosting it perhaps, but who knows these things. Sometimes you just don't know - they're always changing Zoom.

Kerry Rasmussen - DTSC: Okay, so I have stopped sharing my screen, hopefully, that brings it back for you, if not. If you can leave the meeting and come back, that's another option.

John Bystra - DTSC: We do have plenty of time.

Kerry Rasmussen - DTSC: Yes, we do - we are available until eight o'clock.

John Bystra - DTSC: Well, someone said that it's working now. Okay, well then hopefully if people have any comments to make, or you know, again I don't want to limit it too - it's possible that will still have outstanding questions that they didn't have the opportunity to ask or follow up with so, we should be able to take either of those.

Kerry Rasmussen - DTSC: Yes, I'm checking my email, and I believe I received the same messages.

Kerry Rasmussen - DTSC: Sorry, I wasn't checking it before, but I had two screens full. So apologies for those technical difficulties. It happens.

Kerry Rasmussen - DTSC: Alright, I don't see any hands going up.

Kerry Rasmussen - DTSC: Oh, I do see something in the Q&A - oh it's working now. Okay, and that was at 7:15 so that was one minute ago Thank you, I minimize that check my email.

Kerry Rasmussen - DTSC: Oh, we have a thank you all for the thorough presentation - thank you anonymous, we appreciate your feedback.

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Kerry Rasmussen - DTSC: Great job, John.

Kerry Rasmussen - DTSC: That one came from me.

Kerry Rasmussen - DTSC: All right, and we'll stay on for just a few more minutes so again, you know you can email John Bystra or myself with any follow up questions.

Kerry Rasmussen - DTSC: All the public comments do go to John. If you'd like to CC me, that is fine, I am here to support all of you. I'm a Public Participation Specialist and I'm here to make sure that all of your questions get answered and that everyone receives the information.

Kerry Rasmussen - DTSC: Okay, and we will still be accepting public comments through December 9th, and so I'm guessing that most of you are holding on to them, we have received some information via email.

Kerry Rasmussen - DTSC: John, I know those were questions as well - are any of those were sharing this evening?

Kerry Rasmussen - DTSC: You're on mute.

John Bystra - DTSC: Thanks Kerry.

John Bystra - DTSC: I did - let me look at the email really quick, so just to let the people in the audience know. Mr Jeffrey Helle, who I believe is part of the Morro Bay City Council but also indicated that he's mayor pro tem. He did ask he did ask a few questions that I think would be useful for the audience to know so.

John Bystra - DTSC: One of the things he asked was what supporting information or evidence did Vistra provided in order to allow some substantial revisions to the previous statement of basis, particularly with respect to ground water usage..

John Bystra - DTSC: One thing I do want to point out that I just realized it. The fact that he is making these comments, I should not have likely identify that he was specifically making them or raising these questions, but as a member of the City of Morro Bay, I think chances are, this is public domain. He's doing it as part of his as part of his capacity in serving the city of Morro Bay, so that's why I feel generally comfortable mentioning it.

John Bystra - DTSC: So you know what additional information did Vistra provide, in order to allow substantial revisions to the statement of basis, particularly with respect to the groundwater usage.

John Bystra - DTSC: Well, DTSC requested that Vistra prepare a groundwater evaluation document and this document assumed that somebody could live at the property at the Morro Bay Power Plant and drink the water. There are various ways of evaluating if its soil or groundwater and, in this case, they used guidance from the Department of Water Resources.

John Bystra - DTSC: Now this document can be found on a Envirositor under the project ID that that Kerry gave earlier.

John Bystra - DTSC: The document very clearly identifies that if you look at the site's groundwater from all the groundwater data over the years that these groundwater wells across the site were evaluated that it shows that the groundwater, if used as drinking water source, would pose no significant threat.

John Bystra - DTSC: And it's not that there is anything wrong with the previous groundwater data - it's just that, when PG&E evaluated the site, they did not assume a residential receptor living there, so that's a big difference there compared to what Vistra did.

John Bystra - DTSC: The question came up of what happens if either Vistra or the city were to repurpose or reuse the existing building or stacks and how would contamination between or underneath the power building and stacks be evaluated - how would those areas be evaluated if the buildings were being reused.

John Bystra - DTSC: And my answer was fairly straightforward, we would need data. If we had data from beneath those areas showing there's no significant impacts there that would either impact if someone got access to that soil or groundwater, or just over time would increase the risk of there.

John Bystra - DTSC: If we had such data, that's how we could make a determination. In absence of such data, we would assume that their impacts there unless we're given data that tells us otherwise.

John Bystra - DTSC: And the last question I was asked is: how would soil samples be taken in the former tank farm when it's restricted if there's a battery storage facility built there?

John Bystra - DTSC: Oh, and also what portion is restricted? In one of the earlier slides and in the community update and I think, as well as the revised statement of basis document itself.

John Bystra - DTSC: The portion of AOC 1 has these red lines across the area of concern that indicates the portion that needs to have a land use covenant, in order to her to be protective of human health of the fire.

John Bystra - DTSC: Now that being said, if someone later, you know if a battery facility were built there are some other structure, industrial or commercial.

John Bystra - DTSC: And somebody later wanted to remove the land use covenant, they could go back out, further characterize the site, clean up the site, and then have the land use covenant removed. But as long as there is contamination left in place, the land use covenant would be needed now.

John Bystra - DTSC: Obviously, if structure were built there, it would make it more difficult to sample there - not impossible, but more difficult. So really unless Vistra wanted to or someone else wanted to evaluate that area to remove the land use covenant.

John Bystra - DTSC: There wouldn't be any need to take any more soil samples out there because what's being proposed is protective. When we say protective, we don't mean just protective at this moment - the idea is that it will be protective in the long run.

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John Bystra - DTSC: Assuming that the subsurface conditions don't change significantly and they would be less likely to change if you put asphalt over the entire area and built a building or structures. So those are questions that I received recently, and I think those you know might help kind of might help clarify some things.

John Bystra - DTSC: Obviously, people could have more questions after this I- 'd be happy for you to call me to ask additional questions or send me an email asking additional questions.

John Bystra - DTSC: That's what I'm here for. The whole purpose of this process is just to make sure that people understand that DTSC is as transparent as possible in displaying this is the data and what the data tells us is that this remedy is appropriate, but if people think it's not - that's what this public comment period is for.

John Bystra - DTSC: I think that's all I've got for now.

Kerry Rasmussen - DTSC: Okay, excellent. Thank you, John, appreciate it. I have not seen any other questions come up, so I'm assuming that everyone's questions have been answered and that there aren't any public comments that people would like to give tonight, I will share my screen again so that you can see our email addresses.

Kerry Rasmussen - DTSC: So, if you have any questions or public comments, please feel free to especially send them to John he will be collecting them but feel free to CC me.

Kerry Rasmussen - DTSC: I will make myself available as well. We want to thank you all for joining us this evening, thank you for taking your time and being here.

Kerry Rasmussen - DTSC: Please stay safe and well and perhaps we'll see you all next time, thank you.

Kerry Rasmussen - DTSC: I will be stopping the meeting at this time.

END

Attachment 4 – Written Public Comments Received during the Public Comment Period for the Revised Statement of Basis

Comment Group 1: Comments that support the Draft Revised Statement of Basis

“We own 2 condominiums on Surf Street, roughly 200 yards from AOC 6. We support the proposed revised remedy. It appears to be appropriate, responsible and fair.”

“It seems to me, by your recent decisions, your [sic] getting advice from Joe Biden. The last tsunami warning was 1968 when nothing happened. Now your [sic] moving the sewer plant up on a hill just in case. The wind farm will never pay for itself, but it will put the final nail in the coffin for whats [sic] left of the fishing industry. Removing the smoke stacks would be like tearing down statues all across the country.”

“Hi John,

The Morro Bay City Council approved the issuance of a letter to the DTSC re: the revised Statement of Basis. I was the lone vote opposing this as the public comment window is open until 12/9/21, and I thought it was premature for the City to take a position.

“Dear Mr. Bystra:

Thank you for forwarding the Draft Revised Statement of Basis for the Morro Bay Power Company Portion of the Morro Bay Power Plant Project. The San Luis Obispo County Air Pollution Control District (SLO County APCD) previously commented on the Draft Statement of Basis for the project on May 22, 2020. The revisions proposed in Draft Revised Statement of Basis do not materially alter SLO County APCD’s position or recommendations, and all comments from our May 22, 2020 letter are pertinent to the Draft Revised Statement of Basis as well.

Again, thank you for the opportunity to comment on this proposal. If you have any questions or comments, feel free to contact me at (805) 781-4247.”

Next 3 pages: Letter from City of Morro Bay to DTSC



CITY OF MORRO BAY

CITY HALL
595 Harbor Street
Morro Bay, CA 93442

November 18, 2021

Mr. John Bystra – Morro Bay
DTSC Project Manager
8800 Cal Center Dr
Sacramento, CA 95826-9986

Re: Morro Bay Power Plant draft revised Statement of Basis

Dear Mr. Bystra,

Thank you to the Department of Toxic Substance Control (DTSC) for providing an opportunity for Morro Bay community members and the City of Morro Bay to provide comment on the Morro Bay Power Company portion of the Morro Bay Power Plant draft revised Statement of Basis.

This site is of extreme value to our community, given its proximity to the coastline, the history of the Morro Bay Power Plant and the potential reuse/redevelopment of the site for better and higher uses.

The Morro Bay City Council reviewed the draft revised Statement of Basis for the site at their Tuesday, November 9, 2021 Council meeting. I have attached the staff report and recommendation submitted to Council on this topic.

At the November 9 meeting, Council formally directed City staff to submit a letter to DTSC concurring with the draft revised Statement of Basis. Please accept this letter as the City's formal support for the draft revised Statement of Basis for the Morro Bay Power Plant.

Please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Scott Collins', is written over a light blue horizontal line.

Scott Collins
City Manager



AGENDA NO: A-5
MEETING DATE: November 9, 2021

Staff Report

TO: Honorable Mayor and City Council **DATE:** November 2, 2021

FROM: Scott Collins, City Manager
Scot Graham, Community Development Director

SUBJECT: Update on the Department of Toxic Substances Control Draft Revised Statement of Basis Document for the Morro Bay Power Plant and Council Authorization of Letter from Mayor Concurring with Proposed Revised Remedy

RECOMMENDATION

Staff recommends the City Council receive the report from staff and authorize the Mayor to sign a letter concurring with the Proposed Revised Remedy identified in the Draft Revised Statement of Basis for the Morro Bay Power Plant as noted below and further described in Attachments 1 and 2 to the staff report.

ALTERNATIVES

The Council could choose not to provide comment on the Draft Revised Statement of Basis document, the Council could direct a more specific response beyond simple concurrence with the proposed remedy identified in the Draft Revised Statement of Basis, or the Council could authorize an objection to the proposal.

FISCAL IMPACT

None.

BACKGROUND/DISCUSSION

The City recently received an October 2021 notice from the Department of Toxic Substance Control (DTSC) of an opportunity to review and provide comment on the Draft Revised Statement of Basis for the Morro Bay Power Company (MBPC) portion of the Morro Bay Power Plant (MBPP), located at 1290 Embarcadero in the City of Morro Bay. The notice also identifies a public meeting opportunity that will be held by DTSC via zoom on November 16, 2021, from 6pm to 8pm, where information on the Draft Revised Statement of Basis will be provided and where public questions will be answered, and public comment received. DTSC will accept public comment through December 9, 2021.

The Council previously reviewed the original draft Statement of Basis prepared by DTSC on the MBPP on May 12, 2020. Both the DTSC 2020 Previously Proposed Remedy and the 2021 Proposed Revised Remedy are provided below. The full October 2021 DTSC Revised Statement of Basis document is provided as Attachment 2 to the staff report.

There are eight Areas of Concern (AOC's) identified on the MBPP site for environmental investigation and potential cleanup. Land Use restrictions have been identified for a portion of AOC 1. AOC's 2 –

Prepared By: SG Dept Review: _____
City Manager Review: SC City Attorney Review: CFN

6 are not proposed to have any soil or groundwater restrictions placed on them. The Draft Revised Statement of Basis does not address AOC's 7 (Power Building) and 8 (Metal Waste Cleaning Ponds). The area under the Power Building cannot be evaluated until the building is removed and the Metal Waste Cleaning Ponds were evaluated and cleared for clean closure in 2008 by DTSC. The AOC locations are identified on a map provided in Attachments 1 & 2 of the staff report.

Previously Proposed Remedy (2020)

The proposed remedy in the original Statement of Basis was for the property owner to record a Land Use Covenant (LUC) on AOCs 1 through 4 and 6. AOCs 5 and 7 were not fully accessible, and AOC 8 has already been clean closed through DTSC. The LUC would not allow residential use on any of these AOCs and would require a soil management plan to verify that future soil use complies with commercial/industrial use at these AOCs. Also, groundwater would be restricted, not allowing potable or drinking uses. These restrictions require annual inspection and reporting that this remedy is still protective of human health and the environment.

Proposed Revised Remedy (2021)

MBPC submitted documents demonstrating that most of the Site's soil does not require a LUC and that Site groundwater is appropriate for unrestricted use. As such, the proposed remedy in the Revised Statement of Basis restricts only a portion of AOC 1 soil to commercial/industrial use through a LUC and allows for unrestricted land use at AOCs 2 through 6. Also, the revised proposed remedy allows full unrestricted use of groundwater at all AOCs at the site. The restriction on a portion of AOC 1 soil still requires annual inspection and reporting that this remedy is still protective of human health and the environment. For more details, please review the Revised Statement of Basis provided as Attachment 2 to the staff report.

Following the public comment period, DTSC will review and consider all public comments before making a final decision on the draft Revised Statement of Basis. DTSC is proposing to manage contamination found in a portion of AOC 1 on the MBPP site by implementing a land use covenant (LUC) that restricts the area to future commercial/industrial uses. Annual site inspections by the property owner, subject to review by DTSC, will occur in this area to ensure that land use complies with the LUC.

CONCLUSION

This matter is being brought to the Council as an informational update on the status of the Revised Statement of Basis for the MBPP, and Council is also being asked to authorize the Mayor's signature on a letter supporting the remedies identified in the October 2021 Draft Revised Statement of Basis.

ATTACHMENTS

1. October 2021 DTSC Public Notice
2. October 2021 DTSC Revised Statement of Basis

LINKS

1. May 12, 2020 Council Information Item on DTSC Statement of Basis: <http://ca-morrobay2.civicplus.com/ArchiveCenter/ViewFile/Item/5330>

Comment Group 2: Comments that are Out of Scope

“It seems to me, by your recent decisions, your [sic] getting advice from Joe Biden. The last tsunami warning was 1968 when nothing happened. Now your [sic] moving the sewer plant up on a hill just in case. The wind farm will never pay for itself, but it will put the final nail in the coffin for what's [sic] left of the fishing industry. Removing the smokestacks would be like tearing down statues all across the country.”

“Please be respectful of the homes/residential neighborhood adjacent to the power plant in terms of what will be put there.”

Comment Group 3: Protecting human health and the environment

“In a time when we have such a bleak future to offer our children, please do not make it even worse by allowing toxic waste into our community and environment. Let's try to make their future just a little bit better by saying no to this plan.”

“What are the mitigation of damage risks to the residents of the site subject water within 100 feet of the property boundaries?”

“Do any of the clean up sites have ESHA's, i.e. sensitive habitat?”

“What specific measures will be taken to protect wildlife and humans?”

“What supporting evidence/information did the current MBPC owner provide to DTSC in order to allow such substantial revisions to the previous Statement of Basis? Particularly with respect to ground water usage? Was DTSC's prior data incorrect?”

Comment Group 4: Cost concerns

“What compensation is provided to affected residents that live within 500 feet of property boundaries when toxic materials are disturbed?”

Comment Group 5: Management of contaminants

“Can we see a map of the soils + water test results? I think the public needs to know if there are dangerous/marginal/ok limits in their neighborhood + businesses.”

Comment Group 6: Oversight authority

“Will the Morro Bay Planning Commission remain as oversight and approval throughout the process?”

Comment Group 7: Future Site use/development

“I am concerned for [sic] Battery Plan [sic] to be placed in the most active area of Morro Bay tourism. Why would we allow Vistra to do [sic] battery project here when their power (solar/wind) is coming from the Valley? Battery project would benefit the grid by placement inland.”

“It seems like we have already been down this road - see the defunct power plant already there?? Adding 3,100,000 sq ft buildings full of toxic/hazardous materials this close to the ocean is irresponsible and detrimental to our livelihoods [sic] if there is a tsunami/earthquake or other unforeseeable [sic] events. Put the Damn thing in Texas if they want it so bad.”
“Dismantel [sic] the plant and make it a public park.”

“I would like to be able to rent the property for a week to hold an event with camping and festivities to attract businesses to the embarcadero.”

“My name is [name removed]. I operate the [personal information removed]. I am concerned about the negative influence to the community and especially the children along with preserving the community creek + forest area. However, it seems to be ignored that the creek and forest area is unsupervised so drug use and homeless encampments occupy the area as a negative situation for the community. I will preserve this area with the creation of a [personal information removed]. PS - the community would have pathways to enjoy this community asset.”

“AOC-7 has the existing power plant and stacks on it. The concrete foundation for these structures is said to be between 10 and 15 feet deep. Is this why DTSC cannot sample the soil? If the MBPC wants to "repurpose/reuse" the existing building or stacks---how would DTSC evaluate contamination levels and appropriate uses?”

Comment Group 8: Soil Management Plan

“In the digging up of and transplant of contaminated soil, I would like to see the detailed plan.”

“AOC-1 restrictions are "only to a portion" of the area and will allow commercial/industrial uses. What portion is restricted and how will soil samples be taken in the future if a 27-acre battery storage facility is built in the AOC-1 area?”

Comment Group 9: The Stacks and MBPC property use

“If the stacks and main building come down on this property, will DTSC have to start all over again with the area under-stacks and main building?”

““Leave the stacks" alone without them it won't be Morro Bay!”

“Tear down the stack's [sic]! because they are a [sic] eye sore and obstructing [sic] my view. Restore the rock and ist [sic] Beuty [sic] like it once was gods [sic] creation.”

“For better or worse, the stacks are iconic to the identity and recognition of Morro Bay and they should remain.”

DTSC Responsiveness Summary
Morro Bay Power Company portion of the Morro Bay Power Plant
FINAL – June 2022

“As to what the costs and asbestos mitigation of the stacks are dangerous to the population and visitors to Morro Bay - much could be done to the site but the stacks should remain.”