

PETITION EXHIBIT 22



WorleyParsons Komex

resources & energy

Environment & Water Resources
3901 Via Oro Avenue, Suite 100
Long Beach, CA 90810 USA
Telephone: +1 310 547 6400
Facsimile: +1 310 547 6410
worleyparsons.com

3 December, 2007

Proj. No.: H0562C
File Loc.: Long Beach

California Regional Water Quality Control Board
Central Coast Region
895 Aero Vista Drive, Suite 101
San Luis Obispo, CA 93401
Attention: Hector Hernandez

Dear Mr. Hernandez:

RE: COMMENTS ON DRAFT CLEANUP AND ABATEMENT ORDER NO. R3-2007-0077 TO OLIN CORPORATION, 425 TENNANT AVENUE, MORGAN HILL, CALIFORNIA

On behalf of the City of Morgan Hill (City), WorleyParsons Komex has the following technical comments on the Proposed Cleanup and Abatement Order circulated by RWQCB on November 30, 2007 (November 30 CAO) No. R3-2007-0077 from the California Regional Water Quality Control Board, Central Coast Region (RWQCB) to Olin Corporation, 425 Tennant Avenue, Morgan Hill, California.¹ There are three key technical areas where the City has concerns with the November 30 CAO:

- I. The approval of monitored attenuation (MA) as a remedy for perchlorate contamination in Priority Zones B and C from the Olin site, when this technology is clearly inappropriate in this case;
- II. The approval of Olin's cleanup workplan with a proposed cleanup level of 6 ug/L perchlorate, in the absence of any determination of background concentration by Olin, as required by State statute;
- III. The approval of Olin's remediation plan including MA for Priority Zones B and C, when active remediation of these zones is the preferred option and is both economically and technically feasible.

Details of our comments on these three points are provided below.

¹ This letter is being submitted as part of the City's Supplemental Submission of this same date.



1. Monitored Attenuation

In the November 30 CAO, RWQCB approves Olin's plan to rely on monitored attenuation as the remedy for perchlorate contamination in Priority Zones B and C (excluding the intermediate aquifer zone) from the Olin site, and cites United States Environmental Protection Agency (USEPA) guidance in the statement, "Olin is required to implement the MA remedy component in strict accordance with USEPA's guidance document concerning the use of MA at groundwater cleanup sites." (OSWER Directive Initiation Request, "Use of Monitored Natural Attenuation at Superfund, RCRA Corrective Action, and Underground Storage Tank Sites" (April 21, 1999); (MA Policy).

a. The Proposed use of MA fails to meet several requirement of the MA Policy

For example, the guidance states "When relying on natural attenuation processes for site remediation, USEPA prefers those processes that degrade or destroy contaminants." (MA Policy, p 3). In contrast to this requirement, the proposed Olin MA relies entirely on dilution and dispersion of the perchlorate plume due to mixing with uncontaminated groundwater. The MA Policy further states "EPA generally expects that MNA² will only be appropriate for sites that have low potential for contaminant migration" (MA Policy , p 3). The perchlorate plume at the Olin site is ten miles long, so clearly this does not represent a site with "low potential for contaminant migration", and therefore again does not meet the criteria identified by the MA Policy.

The MA Policy further requires that contaminant concentrations be clearly decreasing over time for MA to be appropriate. It requires "Historical groundwater and/or soil chemistry data that demonstrate a clear and meaningful trend of decreasing contaminant mass and/or concentration over time...". As previously noted by WorleyParsons Komex (2007b) in our September 6, 2007 comment letter on Olin Llagas Subbasin Cleanup Workplan dated June 15, 2007 (the Cleanup Workplan; MACTEC 2007b), evaluation of concentration trends in monitoring wells, (discussed in the December 6, 2006 revised feasibility study (FS) report (Revised FS; MACTEC 2006b; Appendix C) indicated that more than two-thirds of wells do not show a decreasing trend in perchlorate concentrations. Consequently, it appears that attenuation processes are not appreciably reducing perchlorate concentrations in the Olin perchlorate plume, as required by the MA Policy or application of MA as a remedy (MA Policy p 16).

As a further example of inadequate documentation of assumed attenuation processes, Olin states that "...declining concentrations due to overall attenuation should follow an exponential decay curve over long periods of monitoring...". (Cleanup Workplan p 2-11). However, Olin has not presented any data from the Llagas Subbasin to validate the proposed first-order decay model or to support either the length of time expected to either reach the cleanup goal or asymptotic leveling off at some concentration other than the cleanup goal. Such assertions require some demonstration of validity as required by the MA Policy, discussed below.

The MA Policy specifies the requirements for use of empirical decay rates for MA evaluation. It requires that "...where these rates are used to evaluate MNA, or predict the future behavior of contamination, they must also be of "adequate quality". Statistical confidence intervals should be estimated for calculated attenuation rate constants (including those based on methods such historical

² USEPA uses the term "monitored natural attenuation" or MNA.



trend data analysis, analysis of attenuation along a flow path in groundwater...". Olin has conducted no such statistical analysis of the MA rate constants that they rely on. In fact, the existing data seem to indicate that a first-order decay model is not valid for the Olin site. High levels of perchlorate in Priority Zone A groundwater persist downgradient of the active on-Site source zone soil and groundwater remediation that has been ongoing for over three years (since February 2004), contradicting Olin's contention of rapid perchlorate attenuation downgradient of active remediation.

b. There is no support for Olin's denitrification claim

Olin suggests that denitrification is occurring in the Deep Aquifer and the corresponding occurrence of biological reduction of perchlorate is an operational mechanism for perchlorate attenuation in the Llagas Subbasin (Revised FS p 3-13 and 4-16). Other than the absence of high nitrate concentrations in some portions of the Deep Aquifer, there is no evidence to support the contention that denitrification or perchlorate reduction is occurring in the Deep Aquifer. In fact, Figure 3-13 of the Revised FS shows that nitrate concentrations in the Deep Aquifer downgradient of the Site are nearly everywhere in excess of 20 mg/L; similarly, perchlorate concentrations above the MCL are observed extensively in the Deep Aquifer downgradient of the Site, as shown in Figure 3-18 of the Revised FS. Both of these facts clearly suggest that neither denitrification nor perchlorate reduction are occurring to any appreciable extent in the Deep Aquifer zone downgradient of the Site. This observation contradicts Olin's statement that, in part due to biological reduction of perchlorate, "... perchlorate concentrations above the hypothetical background would not persist in the presence of these attenuation processes." (Revised FS p 4-16). Under the groundwater conditions present in the Llagas Subbasin, perchlorate must be considered as a persistent contaminant and, therefore, Olin's supposition is inapposite to the requirements with respect to persistence and permanence of effects for establishing an alternate cleanup level under Resolution No. 92-49.

The lack of perchlorate reduction means that attenuation processes other than dilution are not active for perchlorate in the Llagas subbasin, Olin's MA plan depends only on dilution of the perchlorate plume with uncontaminated groundwater as the plume migrates (note, no dilution would occur if the plume and the adjacent groundwater were stationary). This contradicts the MA Policy, which states "In the case of a groundwater plume, decreasing concentrations should not be solely the result of plume migration" (MA Policy p. 16).

c. MA for the Northeast Deep Aquifer is Not Supported

The November 30 CAO fails to acknowledge or address the need for Olin to cleanup the perchlorate in the Deep Aquifer in the area northeast of the Olin Site, the origin of which is well documented (for at least eight consecutive quarters by Olin's groundwater monitoring data) to be the Olin Site. For example, none of the Priority Zone B or C MA performance monitoring wells listed in Table 4.1 of the June 15, 2007 Cleanup Workplan (MACTEC 2007b) in either the Intermediate or Deep Aquifer zones are located within 2,500 feet south of the Site, let alone north or east of the Olin Site. Moreover, as shown in the Cleanup Workplan Figure 4.4, the nearest Deep Aquifer zone MA performance monitoring well is 6,700 feet south of the Olin Site, at MP-21/MW-21. The November 30 CAO does not require Olin to address this deficiency in any specific manner. The November 30 CAO must address cleanup of all impacted aquifers in Priority Zones B and C east, north, and northeast of the Olin Site, which it fails to do; and, at the very least, require that Olin provide a detailed MA performance monitoring



program for these areas, as well as other areas, in closer proximity to the Olin site than 2,500 feet away, and definitely closer than 6,700 feet in the Deep Aquifer zone.

2. Background Determination

Olin has not yet determined background perchlorate levels in the Llagas Subbasin, by either the process for determination of background concentration of contaminants under California Code of Regulations [CCR] Title 23, Division 3, Chapter 15 Sections 2550.4 and 2550.7, or CCR Title 27, Division 2, Subdivision 1, Chapter 3, Subchapter 3, Article 1 Section 20400 as required by the RWQCB (2007) in their letter of March 29, 2007 commenting on Olin's December 6, 2006 Revised FS report. While the RWQCB has been very explicit in asking that this be accomplished³ the RWQCB has also indicated that such a determination need not be made until the Santa Clara Valley Water District's (SCVWD) Forensic Study (Forensic Study) is completed.

State Water Resources Control Board (SWRCB) Resolution Number 92-49 requires that background concentrations be determined in accordance with the above methods if a cleanup level greater than background is proposed. Until a background level is developed in accordance with the above-referenced regulations the RWQCB must continue to hold Olin to a cleanup level of background, that is, the analytical method detection limit of approximately 1.4 ug/L, as defined by the RWQCB (2006) in their October 6, 2006 letter to Olin. In Olin's Llagas Subbasin Characterization – 2006 Report (January 31, 2007; MACTEC 2007a) Olin tabulated background perchlorate results in groundwater for 40 domestic wells (including several duplicate analyses) that could reasonably be expected to be sufficiently upgradient of the Olin site to unlikely be affected by discharges from the Olin site directly to groundwater of the Llagas Subbasin. Furthermore, the City has provided to Olin multiple analytical results of perchlorate in groundwater for eight wells that could be considered to represent background conditions (Boy's Ranch #1, #2, #3, Butterfield, Main #1 and #2, Diana #1, and Jackson #1). In spite of this appreciable database of analyses that could reasonably be used to calculate "background" perchlorate concentration, Olin has ignored the RWQCB directive and has refused to calculate a background perchlorate concentration.

Instead, the RWQCB continues to rely on the SCVWD's ongoing Forensic Study to establish cleanup levels to background perchlorate concentrations for the Llagas Subbasin and therefore Olin does as well. Although the SCVWD Forensic Study may provide useful information on background perchlorate levels and sources, the existence of this study in no way absolves Olin of their responsibility to independently determine a background perchlorate concentrations in groundwater as required by the RWQCB directives, particularly in view of the abundance of suitable analytical data as documented by Olin themselves. In the absence of any current determination of background perchlorate concentration, RWQCB has allowed Olin to propose a cleanup level of 6 ug/L for the perchlorate plume in Area 1 which is inconsistent with the above-cited state statute and RWQCB's own directives.

³ "Olin must use the Title 27 methodology to calculate the background for perchlorate" (RWQCB March 29, 2007, p 5); this requirement in the March 29, 2007 comment letter re-iterated the same requirement by RWQCB (2006) in their October 6, 2006 letter to Olin commenting on the original FS report of June 30, 2006 (Olin 2006a)



3. Feasibility of Active Remediation for Priority Zones B and C

The technical and economic feasibility of cleanup to background was addressed in the WorleyParsons Komex (2007a) comment letter of January 19, 2007. Key points are summarized, below.

a. Resolution Number 92-49 specifies the conditions under which a cleanup level other than background can be proposed, as summarized in the RWQCB (2006) October 6, 2006 comment letter on Olin's June 30, 2006 FS Report (MACTEC 2006a). A key condition is that the proposed cleanup level be the lowest concentration technically and economically achievable. Olin's Revised FS showed that cleanup to less than 2 ug/L was both technically and economically feasible.

b. In scoring of remedial alternatives, WorleyParsons Komex (2007a) detailed numerous scoring inconsistencies by Olin in our comment letter on Olin's Revised FS report. That comment letter included a re-scoring of alternatives that addressed the identified inconsistencies in the Revised FS Report Tables 7.1 and 7.2 and showed that the Groundwater Extraction/Treatment alternative ranked higher than the MA Alternative 2 for both Priority Zones B and C. Moreover, RWQCB (2007) conducted their own re-scoring of remedial alternatives in their March 29, 2007 comment letter on the Revised FS Report. The RWQCB in that letter concluded that "Based on our own revised scoring, the revised scoring shows that Alternative 3 (Groundwater Extraction and Treatment) ranks higher than Alternative 2 (MA) for both Priority Zones B and C" Given the scoring of remedial alternatives by both parties, it is very clear that the preferred remedial alternative for both Priority Zones B and C is groundwater extraction and treatment, not MA, as scored by Olin. However, in spite of the RWQCB's own finding, they have permitted Olin to proceed with the proposed MA option for Priority Zones B and C, excluding Zone B in the intermediate aquifer only.

c. Costs presented in Appendix D of the Revised FS were not estimated in a manner consistent with guidance published by the USEPA (2000). USEPA has a published guidance document titled, "A Guide to Developing and Documenting Cost Estimates During the Feasibility Study." The document was published in July 2000 and presents USEPA policy on use of a discount rate for net present value (NPV) calculations. The NPV discount rate recommended by the USEPA is 7 percent, which has been adjusted to eliminate the effect of expected inflation. The Revised FS Report used an escalation rate of 3 percent and a NPV discount rate of 5 percent. As a result, the costs presented in the Revised FS Report are significantly higher than the USEPA would accept. Costs presented in Appendix D of the Revised FS also applied higher percentages for engineering services than USEPA recommends. The Report applies a total percentage to the remedial alternative capital cost of 45% for the design, construction management, and project management services. The USEPA recommends a total percentage of 17% for the services.

Costs presented in Appendix D of the Revised FS also used the worst case times projected to achieve cleanup levels, not considering that portions of the aquifers would cleanup sooner than others. In the case where portions of the aquifer reach the cleanup goal sooner than others, fewer wells pumping at a much reduced cost would be required. These various costing errors and inconsistencies by Olin result in cost estimates that are excessive, giving an unfavorable representation of the economic feasibility of the groundwater extraction and treatment options for Priority Zones B and C that is invalid.

Consequently, the Groundwater Extraction/Treatment alternative not only is the preferred option on a technical basis, it is economically feasible as well. Again, in spite of this information, RWQCB has



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given conditional approval to Olin to proceed with the MA option for Priority Zones B and C, excluding Zone B in the intermediate aquifer only.

CLOSING

WorleyParsons Komex hopes these comments of the Draft CAO are helpful to the RWQCB in your ongoing efforts to cleanup perchlorate released from the Olin Site. We are at your disposal to discuss any of the comments above. If you have any questions or need additional information please call Mark Trudell at 310 547-6357, or by e-mail at mark.trudell@worleyparsons.com.

Sincerely,
WorleyParsons Komex

A handwritten signature in cursive script, reading "Mark Trudell".

Mark Trudell, Ph.D., PG, CHG.

Principal Hydrogeologist

cc: Mr. Jim Ashcraft, City of Morgan Hill
Mr. Steven Hoch, Hatch and Parent



REFERENCES

MACTEC Engineering and Consulting, Inc. (MACTEC), 2006a. Llagas Subbasin Cleanup Feasibility Study for the Olin property at 425 Tennant Avenue, Morgan Hill, California. June 30, 2006

MACTEC, 2006b. Llagas Subbasin Cleanup Feasibility Study - Revised for the Olin property at 425 Tennant Avenue, Morgan Hill, California. December 6, 2006

MACTEC 2007a. Llagas Subbasin Characterization Report – 2006, Santa Clara County, Olin/Standard Fusee, Morgan Hill, California. January 31, 2007.

MACTEC, 2007b, Llagas Subbasin Cleanup Work Plan for the Olin property at 425 Tennant Avenue, Morgan Hill, California. June 15, 2007

Regional Water Quality Control Board Central Coast Region (RWQCB), 2006 Letter from Roger W. Briggs, Executive Officer, Water Board, Central Coast Region to Richard W. McClure, Olin Corporation: SLIC: 425 Tennant Ave. Morgan Hill; Llagas Subbasin Cleanup Feasibility Study. October 6, 2006.

Regional Water Quality Control Board Central Coast Region (RWQCB), 2007 Letter from Roger W. Briggs, Executive Officer, Water Board, Central Coast Region to Richard W. McClure, Olin Corporation. Site Cleanup Program: 425 Tennant Ave. Morgan Hill; Revised Cleanup Feasibility Study Report, Area 1 Plume Migration Control Feasibility Study, and Area I Plume Migration Control Work Plan. March 29, 2007

United States Environmental Protection Agency (USEPA), 1999. OSWER Directive Initiation Request, "Use of Monitored Natural Attenuation at Superfund, RCRA Corrective Action, and Underground Storage Tank Sites" (April 21, 1999).

United States Environmental Protection Agency (US EPA), 2000. A Guide to Developing and Documenting Cost Estimates During the Feasibility Study, Report No. EPA 540-R-00-002, OSWER 9355.0-75. July 2000.

WorleyParsons Komex 2007a. Review of Olin Corporation December 6, 2006 Llagas Subbasin Cleanup Feasibility Report - Revised. Letter to Hector Hernandez, RWQCB. January 19, 2007.

WorleyParsons Komex 2007b. Review Of Olin Corporation Reports: (1) Llagas Subbasin Cleanup Workplan, June 15, 2007; (2) Second Quarter 2007 Groundwater Monitoring Report, July 30, 2007. Letter to Hector Hernandez, RWQCB. September 6, 2007.

PETITION EXHIBIT 23



Linda S. Adams
Secretary for
Environmental Protection

State Water Resources Control Board

Office of Chief Counsel
1001 I Street, 22nd Floor, Sacramento, California 95814
P.O. Box 100, Sacramento, California 95812-0100
(916) 341-5161 • FAX (916) 341-5199 • <http://www.waterboards.ca.gov>



Arnold Schwarzenegger
Governor

October 3, 2007

Mr. Randall Visser
Sheppard Mullin Richter & Hampton LLP 333
South Hope Street, 48th Floor
Los Angeles, CA 90071

Dear Mr. Visser:

OLIN CORPORATION, 425 TENNANT AVENUE, MORGAN HILL, SANTA CLARA COUNTY

This letter responds to Olin Corporation's request that the Central Coast Regional Water Quality Control Board (Central Coast Water Board) enter a confidentiality agreement before Olin makes available its electronic input files for Olin Corporation's groundwater flow and transport model.

Cleanup and Abatement Order R3-2005-0014 (2005 CAO) requires Olin to provide copies of the input files if Olin wishes to rely on the output data for plume migration assessment, subject only to Water Code Section 13267(b)(2). Olin did not petition the 2005 CAO. Central Coast Water Board staff required the data, among other information, to assess plume migration control. The Central Coast Water Board also required submittal of the data in its letter dated June 28, 2007. That requirement was made under Section 13267 and therefore also subject to subdivision (b)(2).

Olin has claimed that the files are trade secret. I disagree with that characterization. Olin is not in the business of selling computer models. Making the electronic input files for the groundwater flow and transport model public will not provide any person with an unfair competitive advantage over Olin. All of the data points MACTEC used in developing the model are generally available to the public through a review of prior monitoring reports. Moreover, nothing about the modeling data distinguishes it from any other monitoring information the Central Coast Water Board typically receives. Central Coast Water Board staff is unwilling to conduct its regulatory cleanup programs in a manner that denies interested stakeholders access to information on which the Central Coast Water Board relies in making decisions about a cleanup. Allowing the Central Coast Water Board access to the data, but not possession of it, does not address this concern.

Even if the information were properly characterized as trade secret, Section 13267(b)(2) would require the Central Coast Water Board to provide the information to the City of Morgan Hill or Santa Clara Valley Water District upon request, if the Central Coast Water Board had the information. That section provides:

"When requested by the person furnishing a report, the portions of a report that might disclose trade secrets or secret processes may not be made available for inspection by the public *but shall be made available to governmental agencies for use in making studies*. However, these portions of a report shall be available for use by the state or any state agency in judicial review or enforcement proceedings involving the person furnishing the report."

Olin has also claimed copyright protection of the information. The Central Coast Water Board does not make commercial use of monitoring and characterization data provided by dischargers. The fair use doctrine would appear to allow reproduction of this information for non-commercial purposes by the Central Coast Water Board or by third parties seeking copies of the data under the Public Records Act in order to further their participation in the cleanup.

California Environmental Protection Agency

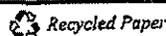


EXHIBIT 23

October 3, 2007

Because Olin has not adequately supported its claims of trade secret or copyright as defenses to the requirements of the 2005 CAO or the June 28, 2007 Section 13267 requirements, Olin is subject to potential enforcement action for violating those requirements. Please provide any additional legal or factual justification that you wish Central Coast Water Board staff to consider to Hector Hernandez no later than **October 26, 2007**.

Whether or not enforcement action is warranted, without input files, the model results Olin provided has little evidentiary value because it cannot be verified or reviewed by the Central Coast Water Board or other parties.¹ Questions regarding the validity of the modeling demonstrate a lack of foundation for the output data. Although most civil rules of evidence do not apply to Central Coast Water Board hearings, in light of these questions the output data is not "the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs" (Ca. Gov. Code §11513, subd. (c)), without other evidence *in the record* to support the data. The Central Coast Water Board is required to make decisions based on scientific data, including the input and assumptions supporting the data.

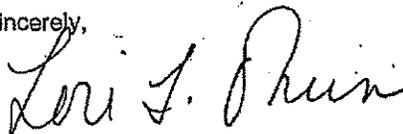
At this time, the Central Coast Water Board will not enter the proposed confidentiality agreement and will not accept or conduct off-site review of any electronic input files or other modeling or monitoring data subject to claimed trade secret, confidentiality or copyright claims.

Unless Olin provides an unrestricted copy of the electronic input files, Central Coast Water Board staff will not rely on the model results to assess background concentrations, plume containment or feasibility of remedial alternatives, including monitored attenuation (MA). The Central Coast Water Board will assess MA based on historical trends and the continued monitoring required by the draft Cleanup and Abatement Order (CAO). If any data indicate that natural attenuation is occurring at a slower than expected rate, the Central Coast Water Board will assess whether to require active remediation (i.e., additional extraction wells).

Central Coast Water Board staff will consider any modeling data Olin or any other party decides to provide. The State Water Board will determine what, if any, weight to afford such evidence based on whether we receive information (including input files) necessary to allow the Central Coast Water Board, its consultants, and other stakeholders to assess the validity of the results.

Please call me at (916) 341-5165 if you have any questions.

Sincerely,



Lori T. Okun
Senior Staff Counsel

Enclosure (Trudell email)

cc: See next page

¹ See, e.g., the enclosed email from Mark Trudell dated September 11, 2007.

Mr. Randall Visser

- 3 -

October 3, 2007

cc: Ms. Thea Tryon [via email only]
Engineering Geologist
Mr. Hector Hernandez [via email only]
Water Resource Control Engineer
Ms. Shella Soderberg [via email only]
Senior Engineering Geologist (Supervisor)
Mr. John Robertson [via email only]
Senior Environmental Scientist (Supervisor)
Mr. Roger Briggs [via email only]
Executive Officer
Central Coast Regional Water Quality
Control Board
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401

Frances L. McChesney [via email only]
Senior Staff Counsel
State Water Resources Control Board
Office of Chief Counsel
1001 I Street, 22nd Floor [95814]
P.O. Box 100
Sacramento, CA 95812-0100

Tedd Yargeau
Department of Toxic Substances
and Control
1011 North Grandview Avenue
Glendale, 91201-2205

Olin Interested Persons List

Lori Okun - RE: City of Morgan Hill Review of Olin Cleanup Workplan and Q22007 GWM Report

From: "Trudell, Mark (Long Beach)"
<Mark.Trudell@WorleyParsons.com>
To: "Thea Tryon" <ttryon@waterboards.ca.gov>
Date: 9/11/07 1:54 PM
Subject: RE: City of Morgan Hill Review of Olin Cleanup Workplan and Q22007 GWM Report
CC: "Hector Hernandez" <Hhernandez@waterboards.ca.gov>, "Steven L Hoch" <SHoch@HatchParent.com>, "Jim Ashcraft" <Jim.Ashcraft@morganhill.ca.gov>

Thea,

I have done a cursory review of the Olin August 3, 2007 model report for the Llagas Subbasin, and I have the following preliminary comments. Please note that we will be doing a formal review of this report for the City of Morgan Hill, which you can expect later this month. If there is some "must get by" date, please let us know.

First of all, this report in no way is an adequate substitute for the actual model files, as previously requested by the City. The report is only a general description of the model. For example, there are no details provided on boundary conditions. Figure 2 shows very small-scale maps with boundary conditions coded by type, but the resolution of these maps renders even this information indecipherable, and no-flow boundaries are not coded in the legend. Moreover, the eastern and selected other boundaries are apparently shown as "well" boundaries, which is a very unconventional implementation (as opposed to a specified flux, Type 2 boundary), but without any explanation in the report, or documentation of the flows associated with the boundary conditions, or the basis for assigning those flows. Similarly, documentation of the implementation of general head or river boundary conditions is completely missing. Only average pumping rates for production wells are listed in Table 2, although the Report says that historic pumping rates were used, where available, for the transient simulation period of 1956-2006.

Information provided on model calibration is similarly completely inadequate. There is no map of residuals by model layer to allow evaluation of the spatial distribution of calibration errors, particularly in the northeast flow area. This is particularly important since Figure 7b of the Report, which is a calibration plot of computed versus observed heads for third quarter 2006, shows poor calibration with appreciable bias. For example, for a computed head of 260 ft asl, observed values range from 180 ft asl to 320 ft asl (i.e., -80 ft to +60 ft residual). Similarly, computed heads at 290 ft asl are biased low, with observed heads ranging from 290 to 350 ft (0 to +50 ft residual). It is highly likely that use of an automated calibration utility such as PEST could have substantially improved the flow model calibration.

Transient calibration data are shown for only three wells in Figure 7a, despite the fact that 255 wells were used as calibration targets. Where are the transient calibration data for the other 252 wells? There is no breakdown of calibration targets by model layer. Model calibration in the Deep Aquifer zone in the Northeast Flow area appears to be quite poor, as shown in the simulated groundwater elevation contours in Figure 9b, since there is no northerly or northwesterly component of flow in the vicinity of Olin's PZ-1, PZ-2 and PZ-3 monitoring well locations, which has been extremely well documented by Olin's monitoring data.

The documentation of the transport model is similarly deficient. There is no discussion at all of boundary conditions, just brief mention of 1300 kg source terms applied at six cells. The source term boundary type or characteristics are not discussed at all. On page 7-3 of Sec. 7.1.4, the text refers to "Mass loading that represents source distribution is discussed in Section 8.1.6". There is no such section or such discussion in the Report.

There are no plots or tables of simulated and observed concentration versus time for calibration target wells, or any documentation whatsoever of well used for transport calibration, such as location, model layer, concentration versus time history, etc.

There is no discussion or evaluation of numerical dispersion, which could be significant in this model given the grid spacing of 200 to 250 feet, compared to the longitudinal dispersivity values of 1 to 100 feet.

Although the report states that calibration of the Deep Aquifer is ongoing, presumably with at least seven quarters of excellent head and concentration data from Olin's monitoring wells some magnitude of calibration effort using the existing data is warranted.

Regards,
Mark Trudell

Mark Trudell, Ph.D., PG, CHG
Principal Hydrogeologist

WorleyParsons Komex

3901 Via Oro Avenue, Suite 100, Long Beach, CA 90810
Tel: 310 547-6357 (Direct) 310-547-6400 (Main)
Cell: 714 553-5520
Fax: 310 547-6410
mark.trudell@worleyparsons.com
www.worleyparsons.com

From: Thea Tryon [<mailto:ttryon@waterboards.ca.gov>]
Sent: Tuesday, September 11, 2007 7:25 AM
To: Trudell, Mark (Long Beach)
Cc: Hector Hernandez
Subject: Re: City of Morgan Hill Review of Olin Cleanup Workplan and Q22007 GWM Report

Hi Mark,

Thanks for these comments I will review them this week. I was out all last week and yesterday and I came to realize that the email I sent you on August 30 about the numerical model bounced back. I had an old email of yours I guess. I apologize for that. Please find attached the information you need to access the numerical model report that we discussed a couple of weeks ago from our ftp site. Again, sorry this didn't get to you when I originally sent it.

As you requested, attached is the link to the Groundwater Development Report (Attachment A) that Olin submitted on August 3, 2007. Could you provide me with feedback as to whether this information will suffice your request for information on the data input to the groundwater flow and transport model?

<ftp://swrcb2a.swrcb.ca.gov/pub/rwqcb3/Olin%20Perchlorate/Numerical%20Model/>

Thanks!

Thea S. Tryon, P.G.
Engineering Geologist
Site Cleanup Program

RWQCB - Central Coast Region
895 Aerovista Place, Suite 101

San Luis Obispo, CA 93401
Direct: (805) 542-4776
Fax: (805) 788-3503

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>>> "Trudell, Mark (Long Beach)" <Mark.Trudell@WorleyParsons.com> 9/6/2007 2:57:26 PM >>>

Hector,

Please find attached the WorleyParsons Komex review of the Olin Liagas Basin Cleanup Workplan and Second Quarter 2007 Groundwater Monitoring Report on behalf of the City of Morgan Hill. A hard copy will be sent by mail.

Regards,

Mark Trudell, Ph.D., PG, CHG
Principal Hydrogeologist

WorleyParsons Komex

3901 Via Oro Avenue, Suite 100, Long Beach, CA 90810
Tel: 310 547-6357 (Direct) 310 547-6400 (Main)
Cell: 714 553-5520
Fax: 310 547-6410
mark.trudell@worleyparsons.com
www.worleyparsons.com

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PETITION EXHIBIT 24



May 11, 2006

Mr. Roger Briggs, Executive Officer
 California Regional Water Quality Control Board
 Central Coast Region
 895 Aero Vista Drive, Suite 101
 San Luis Obispo, CA 93401

Subject: Clarification of Role of District's *Perchlorate Background and Source Study*

Dear Mr. Briggs:

The Santa Clara Valley Water District wishes to offer the following clarifications regarding aspects of the Regional Board's May 2nd letter to Morgan Hill City Manager Ed Tewes pertaining to the District's *Perchlorate Background and Source Study (Study)*:

1. It is anticipated that the sampling and analysis phase of the Study will be completed at the earliest in summer of 2007. A variety of factors could require more time to complete the Study; however, we are optimistic that a draft report will be available by the end of 2007.
2. The geographic scope of the study is the entire Liagas groundwater subbasin; the Study will not focus only on the Morgan Hill area. The data collected could be useful for establishing a groundwater subbasin background level for perchlorate. It is also expected that application of isotope methods will be successful in differentiating anthropogenic from natural sources of perchlorate. The Study will attempt to distinguish different anthropogenic sources of perchlorate; however, there are a number of factors that could complicate the interpretation of forensic data to allow definitive determination of one anthropogenic source vs. another. The expert panel convened to advise the Study will help to apply the most robust methods available, but the District cannot at this point assure the Regional Board that the Study will answer all the questions discussed in the May 2nd letter.

The District is at this time committed to perform a scientific study of perchlorate background and sources for the entire Liagas groundwater subbasin provided that funding and resources remain available. The Study will follow EPA's quality protocols, and is subject to approval by EPA's Quality Assurance Officer.

Sincerely,

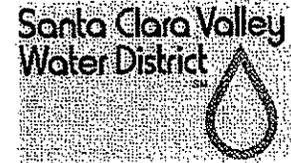
ORIGINAL SIGNED BY

Behzad Ahmadi, P.E.
 Manager, Groundwater Management Unit

Cc: Ed Tewes, City of Morgan Hill
 Melanie Richardson, Walt Wadlow, Thomas Mohr

PETITION EXHIBIT 25

November 1, 2007



Mr. Roger Briggs
Central Coast Water Board
895 Aerovista Place, Ste. 101
San Luis Obispo, CA 93401

Subject: Comments on Draft Cleanup or Abatement Order R3-2007-0077

Dear Mr. Briggs:

The Santa Clara Valley Water District provides the following comments on Draft Cleanup or Abatement Order R3-2007-0077 (CAO). The District appreciates this opportunity to provide input on the Draft CAO.

1) Water Board Use of Olin's Priority Zone A Designation (24.5 ppb) Is Inappropriate

The Water Board should not use Olin's 24½ ppb designation of Priority Zone A to establish where active remediation is required. The 24½ ppb level coincides with US EPA's Preliminary Remediation Goal (PRG) that was established as guidance for hazardous waste sites and is not intended for application to impacted drinking water supplies.¹ EPA's memo notes that the PRG should be modified based on "actual and potential exposure routes"; implying that a lower level would be set where the goal is restoration of impacted drinking water. The Water Board's adoption of Olin's proposed Priority Zone A designation in the Draft CAO leaves a large area of perchlorate-impacted drinking water supply aquifer with no active remedy.

The Draft CAO orders Olin to cleanup to background; however, Olin is not required to *actively* remediate groundwater except where perchlorate levels are four times higher than the Maximum Contaminant Level (MCL). Allowing large portions of the Llagas groundwater subbasin to remain impacted by perchlorate at concentrations higher than background will reduce water supply reliability and impose unreasonable constraints on groundwater basin operations. Consequently, the District will not be able to meet the water supply reliability demands for the community depending on the Llagas groundwater subbasin.

The District believes that the Water Board should consider all alternatives to restore water supply reliability to the Llagas groundwater subbasin by requiring active remediation in a wider area than currently defined by Olin's arbitrary designation of Priority Zone A. As detailed in the District's comments on Olin's Llagas Subbasin Cleanup Feasibility Workplan, Monitored Attenuation is not an appropriate remedy for remediating a sole-source drinking water aquifer impacted with perchlorate at levels that exceed the newly adopted MCL.

¹ US EPA, 2006. January 26th, 2006 Memorandum, "Assessment Guidance for Perchlorate", Offices of Solid Waste and Emergency Response.

2) Schedule and Scope

The District's objective for the Water Board's CAO is to obtain a comprehensive, time-certain cleanup plan. Water Board staff has explained that the intent of the Draft CAO is to bring together the Water Board's numerous directives to Olin Corporation for monitoring, characterization, cleanup, and alternative water supply into single regulatory order. Unfortunately, the Draft CAO still falls short of accomplishing clarity of schedule and scope.

There has been a general pattern of Olin submittals and Water Board partial approvals that have left stakeholders and the public unclear on what has been approved and what point has been reached in the regulatory process. By submitting incomplete or inadequate workplans, feasibility studies, and other required documents, Olin has delayed compliance by forcing an iteration of document rejection or partial rejection, followed by piecemeal compliance of the rejected portions of the ordered actions. Revised compliance schedules and deadlines have been issued by the Water Board in several Water Board letters to Olin. The Draft CAO should clearly list all outstanding requirements and their deadlines in a manner that allows interested stakeholders to obtain a clear picture of schedule and scope.

The timelines in the Draft CAO are not clearly stated, partly because submittals are often required some time after Water Board approval. Some sections of the Draft CAO are still left open-ended. For example, Ordering Section E requires that all additional investigation activities required in a list of five Water Board partial approval letters be completed, but no deadline is established in the Draft CAO. In Finding #19, the Draft CAO states that the Discharger is required to proceed with *immediate implementation* of groundwater cleanup, but in the Ordering Section, there is no requirement to start pumping and treating sooner than 2009. The District needs a clearly stated schedule; it is currently unclear what is due when in the Draft CAO. The District expects the Draft CAO to include clearly identifiable and measurable milestones that will produce meaningful, time-certain and comprehensive active cleanup.

3) Interim Remediation Requirements Missing

The District requests that the Water Board exercise its authority to require that Olin initiate interim remedial action in the very near future to control ongoing migration from areas with higher levels of perchlorate to unimpacted areas, so that more water systems and well owners do not become contaminated with perchlorate. The Draft Order includes a very long timeline for compliance with the most urgently needed action, the Area I Plume Migration Control System. The first meaningful action to remediate off-site impacts will not commence until an unspecified date after the Engineering Design package is due by November 2008. In all likelihood, this means that the long-awaited remediation will not actually start up until 2009. By Olin's estimates of groundwater velocity, the plume could migrate from 700 to 2,000 feet during that time. Remediation could proceed within a few months of the Water Board compelling Olin to implement *interim* remediation in Area I/Priority Zone A.

Interim remediation can be accomplished without waiting for completion of all the access agreements, encroachment permits, and other requirements of a regional conveyance system. There is nothing to prevent Olin from pursuing a satellite remediation option on an interim basis where access agreements have already been established, while concurrently pursuing regional conveyance. Similarly, Olin could pursue multi-site pump and treat, where several remediation extraction wells are connected to a single treatment system without piping untreated water all the way back to the 425 Tennant Road site. Several means of implementing interim

remediation are available to Olin; the District strongly encourages the Water Board to mandate immediate migration control.

4) Ordered Requirements Should Not Depend on District's Perchlorate Background and Source Study

The Draft Order mentions the District's Perchlorate Background and Source Study (PBSS), which is not part of a regulatory program. The objective of the District's study is to use state-of-the-practice techniques to provide the District with determinations of the background concentration of perchlorate in the Llagas groundwater subbasin, and whether forensic environmental geochemistry techniques can reliably distinguish natural from man-made source(s) of perchlorate found in the Llagas groundwater subbasin. As the District's study is not required by any regulatory agency, it is inappropriate to build any dependency on the study outcome into the Draft CAO. The District therefore requests that reference to reliance upon the PBSS be removed from the Draft CAO.

The Order notes in Finding #44 that as groundwater cleanup proceeds, Olin must reevaluate the feasibility of achieving the cleanup goal, *assuming that background concentration will be established*. The District suggests that the Water Board require that Olin establish a background level based on its own findings. While it is the District's hope that its study will provide useful information to all concerned, it should not be the basis for regulatory requirements.

5) Nitrate and Chlorate

The Draft CAO notes in Finding #3 that the Discharger stored and used strontium nitrate and chlorate at the facility. Both of these flare mix ingredients have significant potential to contaminate groundwater, yet they are mentioned nowhere else in the Draft CAO. The Draft CAO should include a clearly stated list of the Constituents of Concern for this case based on the materials used in manufacturing flares, and the Findings section of the Draft CAO should explain why some potential contaminants are excluded.

6) Replace 'PHG' with 'MCL'

Throughout the Draft CAO, references to the Public Health Goal should be replaced with references to the recently adopted California Department of Public Health Maximum Contaminant Level (MCL).

Thank you for considering the District's comments on the Draft CAO. We recommend that the Draft CAO be revised to address the points above before adoption.

Sincerely,

ORIGINAL SIGNED BY

Behzad Ahmadi, P.E.
Manager, Groundwater Management Unit
Santa Clara Valley Water District

cc:

Rick McClure, Olin Corporation
David Share, Olin Corporation
Anna Jatzack, City of Gilroy
Rick Smelser, City of Gilroy
Jim Ashcraft, City of Morgan Hill
Ed Tewes, City of Morgan Hill
Greg Van Wassenhove, County of Santa Clara
Sylvia Hamilton, Perchlorate Community Advisory Group
Thomas Mohr, Tracy Hemmeter, Keith Whitman, Melanie Richardson, Stan Williams

PETITION EXHIBIT 26

Muse

California Regional Water Quality Control Board

Central Coast Region



Linda S. Adams
Secretary for
Environmental
Protection

Internet Address: <http://www.waterboards.ca.gov/centralcoast>
895 Aerovista Place, Suite 101, San Luis Obispo, California 93401
Phone (805) 549-3147 • FAX (805) 543-0397



Arnold Schwarzenegger
Governor

October 6, 2006

Mr. Curt Richards
Olin Corporation
Environmental Remediation Group
P.O. Box 248
Charleston, TN 37310-0248

Dear Mr. Richards:

SLIC: 425 TENNANT AVE, MORGAN HILL; LLAGAS SUBBASIN CLEANUP FEASIBILITY STUDY

Central Coast Regional Water Quality Control Board (Central Coast Water Board) staff has reviewed the June 30, 2006 "Llagas Subbasin Cleanup Feasibility Study Olin/Standard Fusee Site, 425 Tennant Avenue Site, Morgan Hill, California" (Cleanup FS Report). The Cleanup FS Report was prepared by MACTEC Engineering and Consulting, Inc. on behalf of Olin Corporation. The Cleanup FS Report was submitted in accordance with ordering paragraph J. of Cleanup or Abatement Order No. R3-2005-0014 (Cleanup Order No. 0014). In conformance with State Water Resources Control Board's Resolution No. 92-49, "Policies and Procedures for Investigation and Cleanup and Abatement under the California Porter-Cologne Water Quality Control Act (Water Code) §13304" (Resolution No. 92-49), and as required by Cleanup Order No. 0014, the Cleanup FS Report proposes a cleanup level for perchlorate from the former Olin/Standard Fusee Site. The Cleanup FS Report addresses Llagas Subbasin groundwater cleanup alternatives and provides an analysis of alternatives for long-term, basin-wide groundwater cleanup to remediate perchlorate-impacted groundwater. Additionally, it contains an addendum to Olin's March 3, 2006 "Plume Migration Control Assessment Report," as required in our April 26, 2006 letter concerning Olin's migration control assessment report.

Our review considers written comments provided by the Santa Clara Valley Water District (Water District) and WorleyParsons-Komex consultants on behalf of the City of Morgan Hill. We concur with several comments received and have incorporated them into our comments. A copy of the comments received is attached for your reference.

The Cleanup FS Report does not fully meet the requirements of ordering paragraph J. of Cleanup Order No. 0014 and does not fulfill the cleanup objectives of Resolution No. 92-49. In order to comply with paragraph J., Olin must revise the Cleanup FS Report to ensure full compliance with Cleanup Order No. 0014 and the cleanup objectives of Resolution No. 92-49.

The following comments explain and clarify our cleanup expectations for the Llagas Subbasin. Specifically, our comments focus on objectives to achieve compliance with Cleanup Order No. 0014 and to ensure conformance with Resolution No. 92-49. In summary, Olin must take the following actions before we can approve the Cleanup FS Report:

California Environmental Protection Agency

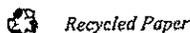


EXHIBIT 26

1. Propose an appropriate and substantiated background level.
2. Propose reasonable and acceptable cleanup levels in groundwater within each of the affected aquifer zones of the Llagas Subbasin, if Olin wants the Water Board to consider cleanup levels above background.
3. Perform a thorough evaluation of groundwater remedial alternatives.
4. Complete and submit a revised Cleanup FS Report by December 6, 2006.
5. Expedite active remediation in Area I by:
 - a. Completing a Plume Migration Control Feasibility Study by December 6, 2006.
 - b. Preparing an Area I Cleanup Work Plan by December 6, 2006.

Our comments also include direction on the feasibility of implementing a groundwater remediation strategy in compliance with Cleanup Order No. 0014 and the applicable provisions of Resolution No. 92-49. The last portion of our letter includes our comments concerning the "Plume Migration Control Assessment Report Addendum," included as Appendix C to the subject Cleanup FS Report, and provides direction concerning our expectations for preparing and submitting a final Cleanup FS Report.

GENERAL COMMENTS

1. **Determination of a Background Concentration** - The Cleanup FS Report states that the background concentration of perchlorate in groundwater in the Llagas Subbasin is assumed to be less than 4.0 micrograms per liter ($\mu\text{g/L}$). Olin's background concentration assumption is based on suspected anthropogenic sources and results from localized groundwater concentration data. Olin concludes that other anthropogenic sources contribute perchlorate to the Llagas Subbasin, resulting in a background perchlorate concentration of up to 4.0 $\mu\text{g/L}$. Although the Cleanup FS Report states that background is assumed to be an indeterminate concentration of "less than 4.0 $\mu\text{g/L}$ ", the report actually assumes background is equal to 4.0 $\mu\text{g/L}$.

Resolution No. 92-49 requires that all cleanup or abatement actions conform to the provisions of State Water Board Resolution No. 68-16 (Anti-Degradation Policy) and to applicable provisions of Title 27 or Title 23, Chapter 15, California Code of Regulations. In accordance with Resolution No. 92-49 and Cleanup Order No. 0014, the background concentration of perchlorate in groundwater within the Llagas Subbasin is the level of perchlorate that would exist in groundwater without regard to any discharges from the former Olin Site.¹ For the purposes of the Olin cleanup case, we consider the background concentration of perchlorate in groundwater throughout the Llagas Subbasin to be zero, or for practical purposes, less than the method detection limit (MDL), unless Olin provides specific data to support a higher concentration. The MDL for perchlorate using United States Environmental Protection Agency (USEPA) Method 314.0 is typically 1.4 $\mu\text{g/L}$.

The Cleanup FS Report does not provide reasonable supporting evidence to substantiate Olin's assumed background level of 4.0 $\mu\text{g/L}$ for the entire Llagas Subbasin. To date, Olin has not confirmed that any of the identified potential perchlorate sources² are viable contributors of long-term perchlorate concentrations to the entire Llagas Subbasin. Therefore, Olin has not demonstrated perchlorate concentrations exist within the entire

¹ In the case of commingled plumes from multiple dischargers, background is determined without regard to the commingled discharges.

² Olin has identified an elevated and localized concentration of perchlorate at a mushroom farm in Gilroy. Olin suggests that the reason for elevated perchlorate is due to a hypochlorinator. This may therefore be a potential short term and localized source of perchlorate in this area but cannot be applied to the entire Llagas Subbasin.



Llagas Subbasin up to 4.0 µg/L, either due to natural or anthropogenic sources in groundwater. Until Olin substantiates its assertion that a measurable anthropogenic or natural level of perchlorate exists within the entire Llagas Subbasin, we must assume that the background level for perchlorate in groundwater is less than the MDL of 1.4 µg/L. Given the large size of the plume, background may be higher in localized areas, such as areas of higher agricultural use. Olin may choose to characterize background concentrations of perchlorate for sub-areas of the Llagas Subbasin if the data support the characterization.

Applicable provisions of Title 27 Water Quality Monitoring Requirements apply directly to cleanup and abatement actions associated with the Olin Site. As such, Olin must use Title 27, Division 2, Subdivision 1, Chapter 3, Subchapter 3, Article 1, §20400 (Title 23, Chapter 15 §2550.4, for hazardous constituents) and §20415 (Title 23, Chapter 15 §2550.7, for hazardous constituents) in its development of a background perchlorate concentration in groundwater. The Title 27 methodology for calculating the background level of a constituent of concern (i.e., perchlorate, for this cleanup case) is most appropriate in this situation, since Olin contends that detectable concentrations of perchlorate in groundwater within the Llagas Subbasin are attributable to anthropogenic sources.

However, the Cleanup FS Report does not include any methodology for calculating a background concentration in accordance with applicable Title 27 water quality monitoring requirements nor does it suggest that any other methodology (other than the Water District's perchlorate background study) will be used to substantiate Olin's contention that detectable concentrations of perchlorate related to sources other than the Olin Site exist within the entire Llagas Subbasin.

We understand that Olin has taken the position that it will wait for the results of the Water District's study and depend on the results of the study to confirm that other perchlorate sources are contributing to the existing perchlorate groundwater impacts. You must understand, however, that in the interim and until data demonstrate that detected concentrations of perchlorate in groundwater within the Llagas Subbasin are attributed to anthropogenic sources, we must assume that the background concentration of perchlorate within the Llagas Subbasin is less than the MDL for each impacted aquifer zone. Therefore, unless you perform the Title 27 background calculations specified above, you must revise the Cleanup FS Report to include the premise that the background perchlorate concentration in groundwater is less than the MDL.

- Olin's Proposed Cleanup Level** - Olin's proposed groundwater cleanup level for perchlorate in the Llagas Subbasin is 6 µg/L. The basis for this level is the current public health goal (PHG) established by the California Office of Health Hazard Assessment (OEHHA). While the proposed cleanup level may be protective of human health, it is clearly inconsistent with the State Water Board's anti-degradation policy (Resolution No. 68-16). Order No. WQ 2005-0007 states that a PHG is not, in itself, enough to establish a cleanup goal. The State Water Board found that failure to use the PHG as a replacement water trigger "ignores the expertise of OEHHA and, in the case of contaminants for which MCLs have been developed, DHS. By contrast, cleanup levels for groundwater are a separate issue and are more appropriately within the expertise and professional purview of the water boards." (WQ 2005-0007, p. 6.) The State Water Board's Order was expressly inapplicable to cleanup levels under Resolution 92-49. (*Id.*, p. 7.) Olin's approach and basis for the proposed cleanup level are inconsistent with the Central Coast Water Board's goal to protect groundwater as a resource and its responsibility to prevent water quality degradation. The Cleanup FS Report does not provide adequate justification for proposing

an alternative cleanup concentration greater than background. The Cleanup FS Report does not demonstrate that the proposed cleanup level is adequately protective of actual and potential beneficial uses of groundwater, and does not provide supporting evidence to demonstrate that it is economically infeasible to achieve the background level.

In accordance with Resolution No. 92-49 (Section III.G), cleanup shall be conducted in a manner that promotes attainment of background water quality. If background levels of water quality cannot be restored, water quality must be restored to the best water quality, which is reasonable, considering all demands being made on those waters and the total values involved, beneficial and detrimental, economic and social, tangible and intangible. Any alternative cleanup concentration greater than background shall:

- Be consistent with maximum benefit to the people of the state;
- Not unreasonably affect present and anticipated beneficial use of such waters;
- Not result in water quality less than that prescribed in the Water Quality Control Plans (Basin Plans) and Policies adopted by the State and Water Boards;
- Be allowed only if the constituent cannot be cleaned up to background;
- Be the lowest concentration that is technologically and economically achievable;
- Pose no present or potential future hazard to human health or the environment; and
- Not, under any circumstances, exceed the level needed to protect the beneficial uses designated in the Basin Plan.

Therefore, to comply with Resolution No. 92-49, the cleanup level of perchlorate-impacted groundwater in the Llagas Subbasin must range between the background concentration (i.e., 1.4 µg/L) and the applicable water quality objective specified in the Basin Plan. Since the Basin Plan does not include specific perchlorate objectives, and neither the state nor federal governments have established a Maximum Contaminant Level for perchlorate, the PHG (6 µg/L) is the least stringent level necessary to protect the municipal and domestic supply (MUN) beneficial use, and therefore the maximum allowable cleanup level. At this time, and until supporting data are provided to substantiate the establishment of an alternative cleanup concentration greater than background as the established cleanup level, groundwater remediation must proceed with the assumption that the cleanup level for the Llagas Subbasin is the background concentration.³

If Olin expects the Central Coast Water Board to consider a cleanup level above background at this time, Olin must revise the Cleanup FS Report to ensure that the feasibility of attaining background concentrations is appropriately evaluated in accordance with Resolution No. 92-49, as discussed herein. The reevaluation must specifically address all comments provided in this letter and provide thorough analyses and justification for all assumptions and conclusions made. The revised Cleanup FS Report must present all supporting data used in any analyses, evaluation, calculations, and the overall basis for proposing an alternative cleanup concentration greater than background as a cleanup level for perchlorate in groundwater. Olin's feasibility evaluation must evaluate the feasibility of attaining background conditions within each individual aquifer zone and throughout all affected portions of the Llagas Subbasin.

³ If installed cleanup technology proves unsuccessful in achieving background in a technically and economically feasible manner, the Water Board may adjust cleanup goals at a later stage of the cleanup.



3. **Distribution of Perchlorate Concentrations** - The Cleanup FS Report divided the Llagas Subbasin into four Areas (Areas I – IV) based on the spatial distribution of perchlorate in relation to the Site and the perchlorate concentration trends monitored over time. The division of the plume into four areas is further defined in Olin's "Plume Migration Control Assessment Report."

Dividing the plume based on the distribution of perchlorate concentrations may be appropriate when evaluating alternatives for implementing effective plume migration control measures and when the objective is to target the highest concentration areas. Such a strategy is encouraged particularly when the objective is to control further migration of the plume. Plume control is a critical action while a cleanup is pending. However, plume migration control is only acceptable as a final cleanup alternative when it meets the requirements for a containment zone under Resolution 92-49, Section III.H. Ordering paragraph J. of Cleanup Order No. 0014 requires Olin to evaluate the feasibility of long-term, basin-wide groundwater cleanup.

Furthermore, dividing the plume based on the distribution of perchlorate concentrations gives the impression that certain parts of the plume will be ignored simply because the perchlorate levels are equal to, or only slightly above,⁴ drinking water standards. Such divisions are not acceptable without appropriate justification, including adequate evaluation of cleanup feasibility. As discussed herein, groundwater cleanup must be consistent with the Anti-degradation Policy. This means that although certain parts of the plume may meet drinking water standards, Olin may still be required to implement active remediation (as feasible) until it meets the established cleanup level for the area in question or until the incremental benefit-to-cost ratio is no longer reasonable. The revised Cleanup FS Report must re-evaluate and compare the feasibility of implementing various remedial alternatives for groundwater cleanup for all areas of the Llagas Subbasin.

4. **Proposed Alternatives for Area I** - The Cleanup FS Report concludes that active remediation is only necessary within the "plume core." Olin defines the plume core as the area in which perchlorate concentrations are equal to or exceed 24.5 µg/L, which is USEPA's preliminary remediation goal (PRG⁵). The Cleanup FS Report indicates that groundwater in Area I contains the perchlorate plume core. Area I has concentrations of perchlorate in shallow, intermediate, and deep aquifers that exceed 24.5 µg/L. Based on the Cleanup FS Report's evaluation of potential remedial technologies, Olin proposes monitored attenuation (MA) for the shallow aquifer and groundwater extraction and re-injection using new (purpose-built) extraction/re-injection wells for the intermediate and deep aquifer zones. However, the Cleanup FS Report contends that active groundwater remediation cannot be implemented because additional characterization of the intermediate and deep aquifer in Area I remain to be completed. Thus, it is Olin's position that it is premature to select and implement a specific remedial alternative at this time. According to the Cleanup FS Report, the results of the additional characterization activities being implemented will be presented in Olin's annual update to the Characterization Report due in January 2007. Further, the forthcoming "Plume Migration Control Feasibility Study" will present the specific technologies and strategies for groundwater remediation developed.

⁴ "Ignoring" any area where levels are above MCLs would violate Resolution No. 92-49.

⁵ The United States Environmental Protection Agency (USEPA) preliminary Remediation Goal (PRG) is a risk-based concentration, derived from standardized equations combining exposure information assumptions with toxicity data. PRGs are considered by the USEPA to be protective of human health (including sensitive groups), over a lifetime.



Cleanup Order No. 0014, ordering paragraph J. requires Olin to perform "an evaluation of alternatives for plume core remediation." Therefore, Olin must evaluate the remediation alternatives that may be suitable for implementation within the core of the plume (the highest concentration area). The plume core term was used to ensure that Olin identify the highest concentration areas and prioritize cleanup efforts in those areas. As you know, under most circumstances, targeting the highest concentration areas will produce the most effective cleanup results. Considering the extent of the perchlorate plume in question, we believe all plume areas with perchlorate concentration exceeding background levels ultimately must be addressed in a phased approach. Olin, through the revised Cleanup FS Report, must evaluate the feasibility of implementing remedial alternatives throughout the entire plume area to achieve background concentrations, as required by Resolution No. 92-49. Please refer to comment No. 1, 2 and 3, above.

We agree that continued plume characterization is necessary and appropriate to fully characterize the extent and degree of groundwater impacts within the highest concentration area (Area I), particularly with the deep aquifer zone. However, we do not agree that it is premature to select and implement a specific remedial alternative for Area I. Groundwater cleanup is an ongoing process that will require reevaluation and adjustments over time. Implementation of the groundwater extraction/injection system that Olin evaluated and proposed for Area I in the subject Cleanup FS Report will require significant tasks (system design, approvals, access agreements and construction) before implementation can occur. We believe there are sufficient data to design interim plume cleanup while characterization activities are being completed. Thus, we believe there is sufficient time to complete any additional characterization activities within the intermediate and deep aquifer zones of Area I that may be critical to effective implementation of groundwater remediation activities.

Therefore, while Olin is required to complete and submit a revised Cleanup FS Report, we hereby accept the Cleanup FS Report for Area I, with the exception of Olin's proposed 6.0 µg/L cleanup level. Olin must expedite all additional characterization work in Area I. Pursuant to ordering paragraph K., Olin shall prepare a groundwater cleanup work plan for Area I and submit it to the Central Coast Water Board for review and concurrence no later than December 6, 2006.⁶ Following the Executive Officer's concurrence with the revised Cleanup FS Report, Olin will be required to prepare a similar cleanup work plan addressing all other perchlorate-impacted areas of the Llagas Subbasin where remediation activities are determined to be necessary.

- 5. Irrigation of Crops** - The Cleanup FS Report fails to address the existing beneficial use of groundwater for agricultural purposes. The Basin Plan designates groundwater beneath and adjacent to the Olin facility as suitable for agricultural water supply, municipal and domestic water supply, and industrial use. While we understand the detected perchlorate concentrations at many well locations are presently below the PHG, the presence of perchlorate in underlying groundwater indicates that the quality of groundwater has been degraded. The Cleanup FS Report fails to address the potential damage to crops, agricultural economy and human health of consumers due to the exposure of crops to perchlorate-impacted groundwater. Research conducted by the Massachusetts Department of Environmental Protection documents that certain irrigated agricultural crops accumulate perchlorate at significant concentrations. The use of groundwater with perchlorate may be impacting, or threatening to impact irrigated agricultural crops in the plume vicinity.

⁶ This directive does not constitute concurrence with the Cleanup FS Report, except that the Water Board concurs treating Area I separately in order to expedite cleanup of that area.

SPECIFIC COMMENTS

1. **The Executive Summary** states, "the background concentration of perchlorate in groundwater attributable to anthropogenic sources is assumed to be <4.0 µg/L based upon concentrations detected upgradient of the Olin/Standard Fusee site and known sources of perchlorate not related to the Olin site potentially associated with anomalous detections south of the Site."

This is a vague and unsupported statement. Please refer to General Comment No. 1, above.

2. **The Executive Summary** implies that perchlorate concentrations up to 6.0 µg/L in groundwater should be acceptable.

As discussed herein, Water Code §13304 authorizes the Central Coast Water Board to require complete cleanup of waste discharged and restoration of affected water to background conditions. Therefore, any suggestion that pollution is acceptable as long as the pollutant concentration remains below the applicable public health goal is unacceptable and in direct conflict with the Water Code and Resolution No. 92-49. Please refer to General Comment Nos. 1 and 2, above.

3. **Introduction Section 1.2** indicates that perchlorate-like chemicals tend to migrate at the same velocity as groundwater.

Estimates of groundwater flow velocity are required to evaluate perchlorate plume migration rates. However, estimates of groundwater flow velocity are not available in the Cleanup FS Report. Section 3.6 of the Cleanup FS Report made reference to an apparent discontinuity in the distribution of perchlorate east of US 101. Section 1.2 of the Cleanup FS Report suggests that the potential discontinuity is due to:

- Increases in hydraulic conductivities in aquifer units east of US 101,
- Regional recharge diluting perchlorate where the plume crosses US 101,
- A limited plume from the Olin site and a second source of perchlorate responsible for a regional plume.

In the Cleanup FS Report, Olin must provide a technically supported estimated range of groundwater flow and perchlorate migration rates in the shallow, intermediate and deep aquifers in different portions of the Llagas Subbasin (i.e., Northeast Study Area bounded by Tennant, Railroad, Diana, and Murphy Avenues, and South Study Areas I, II, III, and IV south of Tennant Avenue).

4. **Section 3.6, Perchlorate Distribution**, This section indicates that the distribution of perchlorate concentrations within the shallow, intermediate and deep aquifer zones in Area I has not been completely characterized. According to the Cleanup FS Report, specific groundwater remediation strategies for the deep aquifer cannot be determined until additional data are collected and evaluated.

The intent of the June 30, 2006 "Llagas Subbasin Characterization Report" was full evaluation of the extent and degree of perchlorate pollution resulting from past Olin operations. Since the characterization report concluded that additional characterization activities were necessary, we agree that additional data must be collected and evaluated to thoroughly characterize perchlorate in the deep aquifer. Olin must proceed promptly to

collect and evaluate the necessary data from the deep aquifer zone and present them as soon as they become available. Olin shall summarize the data and include specific conclusions and recommendations concerning the need for additional monitoring wells and further evaluation. We also agree that additional data are needed to determine the specific locations for any groundwater extraction and remediation systems. As explained herein, we aim to expedite implementation of groundwater remediation activities in Area I. Thus, Olin must expedite completion of the additional characterization activities being conducted and include all available results in the revised Cleanup FS Report, by December 6, 2006 (Refer to General Comment No. 4, above). The need for concurrent cleanup activities is discussed in Specific Comment Nos. 16 and 17, below.

5. Section 3.7 Status of Processes Requiring Further Study:

- This section summarizes several physical processes related to groundwater flow and perchlorate migration rates that require additional study to complete. These processes were identified and thoroughly discussed in Olin's "Llagas Subbasin Characterization Report."

As addressed in our response letter to the referenced characterization report, we agree with all of the additional characterization activities identified. In response to the statement, "Characterization of perchlorate within Area I is on-going and the evaluation of specific groundwater remedial alternatives within this area would be premature at this time," we refer you to General Comment No. 4, above.

- This section also states, "... groundwater with perchlorate concentrations above the current PHG is not currently used as a source of drinking water."

As explained herein, the Central Coast Water Board cleanup approach assures compliance with the Anti-Degradation Policy and Resolution No. 92-49. Olin has not adequately demonstrated that there is a background level of perchlorate above 1.4 µg/L. Please refer to General Comments Nos. 1-4, above.

6. Section 3.8 Groundwater Flow and Transport does not include the flow velocity for groundwater within the Llagas Subbasin.

Please refer to Specific Comment No. 3, above.

7. Section 4.0 Cleanup Level for Perchlorate in Groundwater indicates that the proposed Llagas Subbasin groundwater cleanup level is 6.0 µg/L. The Cleanup FS Report indicates the proposed cleanup level of 6.0 µg/L is the result of an evaluation of current regulatory levels, including the current PHG and PRG, and Olin's calculated health-based cleanup level (11 µg/L) presented in Olin's Cleanup Level Report. According to the Cleanup FS Report, this evaluation also includes the background perchlorate concentrations observed in the Llagas Subbasin, cleanup levels required by the Central Coast Water Board at other Water Board-lead sites, and the requirements for establishing cleanup levels specified in Resolution No. 92-49.

While the PHG and USEPA's PRG may be conservative from a human health perspective, the use of these levels as groundwater cleanup levels is inconsistent with Resolution No. 92-49 and State Water Board and Central Coast Water Board policy and practice. In establishing cleanup goals, human health risk is only one of the factors to be considered under Resolution No. 92-49 and the Title 27 considerations it incorporates. In considering



human health risks, Olin may not disregard the more stringent California PHG in favor of the federal PRG. (Please refer to our response in General Comments No. 1, 2 and 4, above). While additional information is being collected and evaluated to complete the basin-wide characterization and a revised Cleanup FS Report, Olin must prepare and submit a Cleanup Work Plan for Area I. As described in General Comment No 4 above, the work plan shall be submitted by December 6, 2006, and at a minimum, include elements outlined in paragraph K of Cleanup Order No. 0014. Unless the Central Coast Water Board establishes an alternative cleanup level, the work plan must propose cleanup to the perchlorate MDL (1.4 µg/L).

8. **Section 4.4 Background Perchlorate in Groundwater** states, "Results of groundwater monitoring conducted by Olin and others indicate that anthropogenic sources contribute perchlorate concentrations to the Llagas Subbasin, which results in background perchlorate concentrations up to 4.0 µg/L." Further, this section indicates that several sources of anthropogenic perchlorate appear to exist within the Llagas Subbasin that have no relation to the former Olin Site, including detection in several wells from south of the foot of Anderson Reservoir, in domestic wells east of the City of Morgan Hill's municipal well field, and in the upper reaches of the Coyote Subbasin. Alternative sources are cited to include bleach used in well disinfection and other sanitary processes at mushroom farms, a rocket motor manufacturer, highway safety flares, and nitrate-based fertilizers.

These statements are not adequately substantiated. Please refer to General Comment No. 1, above. The referenced potential sources have been identified for several years, yet to our knowledge, Olin has not provided supporting evidence to confirm whether any of the identified potential sources⁷ are contributing to the perchlorate detected in groundwater within the entire Llagas Subbasin.

As addressed in our July 24, 2006 response letter concerning the "First Quarter 2006 Monitoring Report," "To date, the other potential perchlorate sources identified have not been investigated to determine if any of them are contributing to the groundwater impacts. Therefore, it is premature to imply that a source(s) other than Olin must be the cause of the groundwater impacts detected when the other identified potential sources of perchlorate have not been investigated or confirmed to impact groundwater." Although this specific comment was intended for the area northeast of the Olin Site, it is also applicable throughout the Llagas Subbasin and south of the Olin Site. Therefore, at this time and until it is confirmed with data, we must assume that the former Olin Site is the primary source of perchlorate detections south of Tennant Avenue and immediately east and northeast of the Site.

9. **Section 4.4 Well Disinfection:** This section indicates that well disinfection practices are contributing to the existing perchlorate impacts in the Llagas Subbasin.

The Cleanup FS Report does not provide evidence of long-term impacts from well disinfection practices. The only evidence provided is a finding that one hour following well disinfection with a sodium hypochlorite solution, a concentration of 7.5 µg/L and a duplicate sample of non-detect at the MDL of 1.4 µg/L was detected in groundwater from the well that

⁷ Olin has shown that there are temporary concentrations of perchlorate introduced to groundwater after disinfection at one of its reinjection wells and that there may be localized elevated concentrations of perchlorate at City of Gilroy food processing facility due to a hypochlorinator.



was disinfected. Twenty-four hours after the well was disinfected, perchlorate was detected at 3.7 µg/L and a duplicate sample was non-detect at the MDL of 1.4 µg/L.

If Olin contends that well disinfection practices are contributing to the existing groundwater impacts, Olin must provide supporting evidence of the degree and extent of impact associated with well disinfection practices within the entire Llagas Subbasin. Olin could initiate a long-term study to confirm this theory.

10. **Section 4.4 Agricultural Businesses:** This section indicates that since agricultural businesses (e.g., wineries and mushroom farms) commonly use sodium hypochlorite for the control of bacterial growth, for the disinfection of water supplies, and to disinfect equipment, they are a source of perchlorate to groundwater. Olin believes this theory is supported because recent sampling at mushroom farms conducted by Central Coast Water Board staff detected perchlorate concentrations ranging from <0.46 µg/L to 39 µg/L.

As stated in our response letter concerning Olin's "First Quarter 2006 Groundwater Monitoring Report," "To date, the investigation activities conducted by Central Coast Water Board staff have been limited to site inspections at several mushroom farms and the collection of water samples from wastewater ponds for perchlorate analysis. Although concentrations of perchlorate were detected at several of the wastewater ponds, there is no evidence to suggest that perchlorate is or has migrated vertically and impacted underlying groundwater. Investigation activities designed to confirm whether perchlorate detected in wastewater ponds are impacting underlying groundwater have not been performed." As a follow-up to on-going investigations and to determine whether food-processing facilities are contributing to the existing perchlorate impacts, Central Coast Water Board staff has required the collection of a groundwater sample at a mushroom farm. However, results from the groundwater investigation are pending. Without site-specific information verifying that other perchlorate sources exist and contribute to measurable perchlorate in the groundwater, it will be difficult to link "potential sources" to actual pollution. We support any investigations Olin might undertake to verify that other perchlorate sources exist and contribute to perchlorate-impacted groundwater.

11. **Section 4.4 UTC Site:** This section indicates that there are four potential pathways by which perchlorate from the United Technologies Corporation (UTC) site could have migrated into the Llagas Subbasin, including (1) advective groundwater flow from the Anderson Reservoir; (2) surface water that drains into the Anderson Reservoir which was subsequently used by the Water District to recharge the Main Avenue and Madrone Channel percolation ponds in the past; (3) groundwater flow from the percolation ponds; and (4) airborne fallout from the open burn facility.

While we agree that the UTC Site could be a possible perchlorate source to specific areas of the Llagas Subbasin, additional investigation including supporting data (evidence) is necessary to confirm whether and to what extent the UTC Site has contributed to the perchlorate detections. Data that may help confirm that the UTC Site has contributed to the impacts include sampling data from the Anderson Reservoir and J-flag estimate data (trace detections) from wells located immediately south and southwest of the Anderson Reservoir. We also believe that the Water District's perchlorate background study may help determine whether any of the perchlorate used at the UTC Site has contributed to the existing groundwater impacts within the Llagas Subbasin. Nevertheless, and irrespective of the Water District's background study, evidence (i.e., data) must be provided that demonstrates that UTC is (or was historically) a source of the perchlorate concentrations presently being



detected near the Olin Site. We support any investigations Olin might undertake to verify that the UTC Site has contributed to perchlorate concentrations detected in groundwater.

12. **Section 4.4 Highway Safety Flares:** While we agree there is a potential for highway safety flares to contribute to groundwater, at this time no data is available to support this statement. As is the case with regards to the mushroom farms, the fact that perchlorate concentrations have been detected in surface water samples does not prove that highway flares are contributing to measurable groundwater impacts. If that were the case, widespread perchlorate detections would occur in all urban areas.
13. **Section 4.4 Perchlorate Detected Upgradient of the Olin Site:** This section concludes that Olin's evaluation of groundwater elevation data from the shallow and intermediate aquifer zones confirm that groundwater beneath the Site flows to the southwest or southeast, not the northeast.

This section does not mention any evaluation concerning the deep aquifer zone northeast of the Site. As stated in our May 2, 2006 correspondence concerning responsibility determinations for perchlorate detections northeast of the Olin site, "We know a large mass of perchlorate discharged from the Olin Site and groundwater flow in the deep aquifer zone has been demonstrated to flow in a northerly direction under certain conditions." A northerly flow component occurs at certain times of the year, particularly as a reaction to heavy pumping from City of Morgan Hill water supply wells located north and northeast of the Site. This information has been reported in previous Olin reports. This indicates that Olin is a viable source of perchlorate detected in the deeper aquifer northeast of the Olin Site, although the contours of the plume have not been characterized.

14. **Section 4.5 Cleanup Levels at other Perchlorate Sites in California:** This section states that Olin's proposed cleanup level of 6.0 µg/L is consistent with other Water Boards' established cleanup levels for perchlorate at other sites in California as required by Resolution No. 92-49. Table 4.1 of this report lists several perchlorate sites that are presently implementing groundwater characterization or remediation activities. According to the Cleanup FS Report, several of the sites listed in Table 4.1 have an "established" cleanup level consistent with Olin's proposed cleanup level for the Site (6.0 µg/L).

We reviewed Table 4.1 and have determined that for the majority of the listed sites, cleanup levels have not been established in a cleanup order. In fact, several of the sites listed are sites within the Central Coast Water Board region boundaries. It appears that all of the sites presently implementing groundwater remediation are using the PHG of 6.0 µg/L primarily as a cleanup guide in the absence of an alternative cleanup level. Most of the sites are using the PHG as a guide since the concentrations of perchlorate in groundwater are very high (several orders of magnitude higher than at the Olin Site) and appear to be many years away from being remotely close to the PHG. The final cleanup level at most of the listed sites is not critical at this time and will be established later.

Therefore, your statement that the sites listed in Table 4.1 are using cleanup levels that are consistent with Resolution No. 92-49 is inaccurate and misleading. Even if the implications of Table 4.1 were correct, just because another site has an established cleanup level of 6.0 µg/L does not mean that the same cleanup level is appropriate for the Olin Site. Cleanup levels are site-specific, based on many considerations including, but not limited to:

- Existing and potential beneficial uses,



- Hydrogeologic conditions,
- Extent and degree of impact,
- Water quality objectives,
- Impacts to municipal and domestic water supply wells, and
- Economic and technologic feasibility of attaining background levels.

Therefore, although the cleanup approach and goal may be the same for all sites, the actual cleanup levels that are established may not necessarily be the same.

15. **Section 4.6 Conformance with Resolution No. 92-49:** This section describes how the proposed cleanup level for perchlorate in groundwater conforms to requirements in Resolution No. 92-49. The section lists nine site-specific factors that must be taken into account in setting an alternative cleanup level that is less stringent than background.

In accordance with Resolution No. 92-49, all of these factors must be considered and are critical in setting a cleanup level. Some of these factors have not been thoroughly evaluated. Please review Resolution No. 92-49 and Title 27, section 20400 carefully and make certain that all factors are thoroughly evaluated. Among other things, it is important that Section 4.6 of the Cleanup FS Report discuss the uptake of perchlorate by crops that are irrigated with perchlorate-impacted groundwater. Please refer to General Comment No. 5, above.

16. **Section 6.0 Identification and Evaluation of Potential Remedial and Process Technologies for Off Site Use:** In-situ and ex-situ treatment approaches for Areas II, III, and IV are not thoroughly evaluated in this section. Olin did not consider active treatment technologies for these areas because of lower perchlorate concentrations. According to the Cleanup FS Report, the existing perchlorate concentration within these areas is below 11 µg/L, which is the calculated drinking water standard and proposed health-risk-based cleanup level developed and presented in Olin's "Cleanup Level Report." Olin determined that groundwater in Areas II, III, and IV does not pose a risk to human health, including the most sensitive receptors. As such, Olin determined that no groundwater remediation technologies are required in Area II, III, and IV other than monitored attenuation (MA). Olin's selection of MA is also based on the assumption that dilution and mixing will continue uninterrupted on a long-term basis, along with active and aggressive implementation of groundwater remediation within the intermediate and deep aquifer zones in Area I.

Olin's calculated drinking water standard cannot serve as the basis for making decisions concerning groundwater cleanup in accordance with Resolution No. 92-49. Protection of beneficial uses requires cleanup to at least 6.0 µg/L, within a reasonable period of time. (Resolution No. 92-49; Water Code Section 13307(a)(4).) Please refer to General Comment No. 4, above.

The Cleanup FS Report does not include any information to support Olin's contention that active remediation is not necessary and appropriate for Areas II, III, and IV. Please refer to General Comments No. 1, 2, and 3, above.

Furthermore, the Cleanup FS Report does not mention any discussions or agreements between Olin and the Water District to ensure that recharge of the Llagas Subbasin continue uninterrupted. Until a formal agreement between Olin and the Water District is available, Olin cannot assume that the Water District will continue implementing long-term and

uninterrupted management of the recharge ponds it uses to recharge the Llagas Subbasin. Thus, Olin must evaluate the feasibility of achieving background conditions within these areas without assuming that recharge from the ponds will continue uninterrupted. We suggest Olin evaluate the feasibility of implementing active remediation for a specific time period followed by MA (e.g., pump and treat with injection for 3-5 years, or until perchlorate levels reach a certain concentration, followed by monitored attenuation). Olin's revised Cleanup FS Report must outline a contingency plan in case an increase in perchlorate concentrations is observed (evidence of this is noticed in the last four quarters of replacement water monitoring) and in the event the recharge ponds are not recharging the Llagas Subbasin or recharging at different rates.

As Central Coast Water Board staff have discussed with Olin, we believe a joint remediation project between Olin and the City of Morgan Hill has significant value worth considering. At the September 7, 2006 Central Coast Water Board meeting, Morgan Hill officials mentioned their interest in a cooperative remediation project with Olin. Such a project should be evaluated and discussed in the Cleanup FS Report, particularly for cleanup actions needed in Area I.

17. Section 6.0 also states, "...cleanup to background levels (as required by Resolution No. 92-49) would require remediation of infeasible volumes of groundwater in all three zones."

This statement implies that Olin would be required to operate a pump and treat remedy until the background level is achieved. We agree that because of the extremely large volumes of perchlorate-impacted groundwater within the Llagas Subbasin, an active remedial strategy would likely be costly and time extensive. However, it does not necessarily mean that the remedial system would be required to operate forever. As stated herein, the cleanup goal must be to achieve background concentrations. Whether the selected remedial action (e.g., pump and treat) alone would achieve the cleanup goal is another matter. A combination of remedial technologies is more likely to be successful.

Olin must evaluate various treatment strategies, including but not limited to the following possibilities. The incremental costs of achieving a more rapid cleanup at various cleanup levels must be considered:

- Pump and treat/injection only, for all areas;
- Pump and treat/injection only, for high concentrations areas only and long-term MA for rest;
- Pump and treat/injection for all areas during a specified time period or until a specified benchmark level is attained, followed by long-term MA;
Pump and treat/injection for high concentration areas only during specified timeframe or until a benchmark level is attained, followed by long-term MA;
- Wellhead treatment of all or some impacted domestic and agricultural supply wells.

Olin must evaluate the economic feasibility of implementing each of these strategies and compare them against the no-action and MA-only options. Olin must evaluate the cost and feasibility of reducing existing perchlorate concentrations to background concentrations within a reasonable timeframe. If Olin concludes that background is not technically and economically achievable, then Olin must consider alternative levels and the associated incremental costs and benefits. For instance, if Olin determines that achieving 1.4 µg/L is unreasonably expensive, then Olin must calculate the cost of achieving 4.0 µg/L and 6.0



µg/L. Additionally, Olin must estimate how much faster the cleanup goal would be achieved with each cleanup goal evaluated. All assumptions must be reasonable and adequately supported.

18. **Section 6.2.1 Screening Criteria:** This section outlines the criteria used for screening and evaluation of remedial strategies/technologies and process options.

The screening and evaluation of remedial strategies/technologies and process options does not conform to Resolution No. 92-49. All screening and evaluation is based on Olin's proposed cleanup level of 6.0 µg/L, not background, as required by Resolution No. 92-49. If necessary, the Cleanup FS Report must be revised to ensure that all screening and evaluation of remedial strategies are based on the goal of achieving background concentrations. It is this evaluation that determines the cleanup level; a pre-selected cleanup level cannot drive the selection of alternatives to evaluate.

19. **Monitored Attenuation (MA):**

- **Section 6.3.2** indicates that perchlorate within the Llagas Subbasin is already being attenuated by processes that include both natural groundwater flow and induced processes such as infiltration from imported water, precipitation, and mixing by domestic wells. Much of the attenuation (mixing and dilution) appears to be due to recharge of imported water by the Water District. According to the Cleanup FS Report, operation of the recharge ponds and supply wells is anticipated to continue for the foreseeable future, which presumably means the 10-to-20 year assumed attenuation period.

As addressed above, we are concerned that there is no guarantee that the operation of the recharge ponds and supply wells will continue for the foreseeable future. To ensure this is a viable option, you must reach agreement with the Water District for continued operation of the recharge ponds for the foreseeable future or develop a contingency plan in the event that operation of the recharge ponds is reduced or discontinued.

Further, although MA may be capable of reducing the perchlorate concentrations to the cleanup level that may be established, Olin must perform an evaluation (including a modeling effort) to estimate how long it will take and how much it will cost to reach the background concentrations if a combination of alternatives is implemented (i.e., aggressive pump and treat for a specified time period or to achieve a specified concentration, followed by MA). Similarly, the cost of pumping and treating only the most contaminated areas must be considered. Such evaluation must be performed to demonstrate the technical and economic feasibility under different scenarios. Considering the current remediation technologies available for removing perchlorate from water, it is clear that it is technologically feasible to cleanup perchlorate to non-detect levels. However, because of the extremely large volume of impacted groundwater involved throughout the 9.5-mile long plume, within three aquifer zones, and the associated hydrogeologic complexities, it is reasonable to expect that the groundwater cleanup will be costly and lengthy. Nonetheless, although economic feasibility is a significant factor for cleanup implementation, Olin must perform all necessary and appropriate evaluations of different cleanup scenarios (cleanup strategies) to support a cleanup level above background. Olin must demonstrate through calculations and thorough evaluation whether it is feasible to clean up the affected areas to background conditions or not; and if not, whether active cleanup can feasibly reduce current concentrations to a lower level more quickly than MA.



- **Section 6.3.2** indicates that MA is appropriate for the shallow aquifer within Area I, and all aquifer zones within Areas II, III, and IV. The section states that MA is expected to be capable of achieving the proposed cleanup goal of 6.0 µg/L in shallow and intermediate aquifers of Areas II and III within 10-20 years based on initial groundwater fate and transport modeling. Therefore, MA is the proposed primary cleanup approach for Areas II, III, and IV. However, the proposed cleanup approach for Area I involves the installation of new (purpose-built) extraction wells. Olin anticipates that intermediate and deep aquifers extraction wells would be able to remediate groundwater within Area I. The extraction system design will depend on completion of characterization activities in both the intermediate and deep aquifers for Area I.

According to the Cleanup FS Report, the implementation of groundwater remediation (groundwater extraction) in Area I should accelerate cleanup in downgradient areas so that groundwater extraction would be unnecessary for Area II, III, and IV. The Cleanup FS Report proposes to provide an analysis of applicable remedial technologies in the upcoming Area I Plume Migration Control Feasibility Study report.

In general, we conceptually agree with the proposed cleanup strategy (i.e., groundwater extraction wells in the highest perchlorate concentration areas and aquifer zones and monitored attenuation at other locations), provided compliance with water practices and policies (described herein) are fully evaluated. While we acknowledge that characterization activities for the intermediate and deep aquifer zones for Area I remain to be completed, we believe that active groundwater cleanup must be expedited in Area I. Therefore, as described in General Comment No. 4 above, Olin must provide an Area I cleanup work plan. Our requirement for this work plan does not constitute approval of the entire Cleanup FS Report. The Area I cleanup work plan is needed to expedite cleanup of the most impacted area. As explained herein, following Executive Officer approval of the Cleanup FS Report, Olin will be required to prepare and provide an additional cleanup work plan addressing the remaining portions of the Llagas Subbasin. Ultimately, these two cleanup work plans will be combined and function as the Llagas Subbasin Cleanup Work Plan, in accordance with ordering paragraph K of Cleanup Order No. R3-2005-0014.

Further, based on our review of USEPA's guidance document⁸ concerning the use of monitored attenuation (MA) at groundwater cleanup sites, we believe MA may be appropriate as a remedial approach for certain areas of the Llagas Subbasin where it can be demonstrated capable of achieving remediation objectives within a timeframe that is reasonable compared to that offered by other methods. Considering that the perchlorate plume in certain areas is no longer increasing in extent, and appears to be shrinking, we agree that MA is appropriate in some portions of the overall remediation strategy. We believe MA will be most appropriate where it will be used in conjunction with other remediation measures (e.g., source control, groundwater extraction).

Since MA is under consideration as a remedy component, source control measures must be evaluated as part of the remedy decision process. Source control measures include removal, treatment, or containment, or a combination of these approaches. However, due to the level of uncertainty associated with the MA remedial option, Olin must propose in its revised Cleanup FS Report a performance monitoring program and a

⁸ United States Environmental Protection Agency, OSWER Directive Initiation Request, "Use of Monitored Natural Attenuation at Superfund, RCRA Corrective Action, and Underground Storage Tank Sites," April 21, 1999.



contingency remedy. The performance-monitoring program is necessary to evaluate whether the MA remedy option is performing as expected and is capable of attaining the remediation objectives within the anticipated (reasonable) timeframes. The contingency remedy is a cleanup technology or approach that will function as a backup remedy in the event that the selected remedial strategy (MA option) fails to perform as anticipated. A contingency remedy may specify a technology that is different, or simply call for modification of the selected remedy, if needed.

20. **Section 7.4.1.2. Incremental Benefit:** This section indicated that there is no incremental benefit of cleaning up the aquifer to background levels since groundwater polluted with perchlorate concentrations above the current PHG is not currently used as a source of drinking water. Furthermore, domestic wells with concentrations above the current PHG have already either been fitted with treatment at the wellhead or the associated resident is supplied with bottled water.

We disagree with your interpretation of the incremental benefit of achieving background concentrations with the cost of meeting a background objective. The fact that the perchlorate pollution has eliminated a beneficial use does not justify failure to remediate within a reasonable period of time. Wellhead treatment may be considered as one factor in determining a reasonable time for cleanup, in terms of assessing public health risk. Replacement water may also eliminate some of the health risk. However, Olin is not providing replacement water for domestic irrigation or agricultural use, and any incremental cost/benefit analysis must consider the inconvenience to the well users.

An ongoing benefit-to-cost analysis of the cleanup's efficacy will dictate the need for continued implementation and may provide justification for a modification of the remedial strategy or cleanup goals. The results of the ongoing evaluations will determine whether it is reasonable and feasible to continue implementation of remediation activities. Therefore, any cleanup goals that are determined at the design stage must be considered interim.

APPENDIX C - PLUME MIGRATION CONTROL ASSESSMENT REPORT ADDENDUM

As requested in our April 26, 2006 correspondence, Appendix C contains an addendum to the "Plume Migration Control Assessment" report (Addendum). The addendum summarizes data provided in the "Llagas Subbasin Characterization Report" and the "First Quarter 2006 Monitoring Report," including more recent data such as cone penetration testing (CPT) data from south of the Site within Area I. The Addendum concludes that Olin's original conclusions stating that MA processes are responsible for the observed decrease in perchlorate concentrations within Areas II, III, and IV remain valid. The Addendum concludes that plume migration control in Areas II, III, and IV is not necessary. According to the Addendum, plume migration control measures within Area I can be implemented as soon as additional characterization activities in the shallow, intermediate and deep aquifer zones are completed. Please refer to Specific Comment No. 20, above.

Migration control measures are necessary and appropriate within Area I. While we agree that additional characterization work remains to be conducted within Area I, there should not be a delay in preparation and submittal of a Plume Migration Control Feasibility Study and an Area I Cleanup Work Plan. As such, we hereby accept the Plume Migration Control Assessment report including the Addendum as complete and in compliance with Ordering Paragraph E of Cleanup Order No. 0014. In accordance with Ordering Paragraph F of Cleanup Order No. 0014, Olin is now required to prepare and submit a Plume Migration Control Feasibility Study within 60 days from the date of this letter (December 6, 2006).



As outlined in our April 26, 2006 correspondence, the required "Plume Migration Control Feasibility Study" must address the elements outlined in ordering paragraph F, and as summarized below:

1. Evaluate alternatives for plume migration control to prevent perchlorate migration toward the City of Gilroy or other aquifer zones that are not currently impacted by perchlorate.
2. Provide a time estimate for establishing plume migration control for each alternative evaluated. Include a time schedule for implementation of each alternative evaluated and select one or more alternatives as the preferred alternative(s).
3. Perform an evaluation to determine potential adverse impacts to existing surface or groundwater beneficial uses that may be caused by the proposed migration control strategy.
4. Submit a plume cutoff and remediation work plan within 60 days after Executive Officer approval of the plume migration control feasibility study.

We understand the plume migration control alternative will likely be implemented in conjunction with the overall cleanup strategy for the entire Llagas Subbasin. However, we request that the plume containment element of the selected groundwater cleanup strategy (plume migration control) be specifically addressed in the Plume Migration Control Feasibility Study, as this report is required by a separate ordering paragraph of Cleanup Order No. 0014.

SUMMARY AND CONCLUSIONS

By December 6, 2006, Olin is required to provide a revised Cleanup FS Report for Executive Officer approval. The revised Cleanup FS Report must address all comments and recommendations outlined in this letter. In analyzing groundwater cleanup alternatives, the revised Cleanup FS Report must include comparable alternatives that incorporate anti-degradation policy elements (i.e., consideration of remediation to background levels, or the lowest level that is technically and economically achievable). The revised Cleanup FS Report must be prepared on the premise that the background perchlorate concentration in groundwater is less than the MDL unless Olin can demonstrate a higher level consistent with Title 23, Section 2550.7 and Title 27, Section 20415. The Cleanup FS Report must be revised to remove or support Olin's contention that it is not economically feasible to achieve background conditions. All additional calculations, assumptions and supporting evidence that may be produced or revised (as necessary), must be presented for Central Coast Water Board consideration.

Furthermore, if Olin wishes the Central Coast Water Board to consider an alternative cleanup level, the revised Cleanup FS Report must include clear and appropriate justification (supporting evidence) for proposing an alternate concentration greater than background as the cleanup level. Such justification must be included for all areas of the Llagas Subbasin including individual aquifer zones. The economic evaluation must be in accordance with Resolution No. 92-49, as discussed in Items Nos. 1 and 2 above. Overall project costs and time to achieve the standards must also be included.

The revised Cleanup FS Report must reevaluate and compare the feasibility of implementing various remedial alternatives for groundwater cleanup for all areas of the Llagas Subbasin including individual aquifer zones. The revised Cleanup FS Report must include an evaluation of selected remedial strategy or strategies to ensure the site remediation objectives and the time needed to meet them are consistent with the regulatory expectations that polluted groundwater will be restored to beneficial uses within a reasonable timeframe. If these conditions cannot be met using the selected remedial strategy (purpose-built extraction wells and MA), a remedial alternative that more likely would meet these expectations should be selected.



October 6, 2006

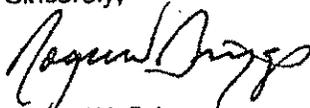
Additionally, by **December 6, 2006**, you are required to provide a detailed Plume Migration Control Feasibility Study, pursuant to Cleanup Order No. 0014, ordering paragraph F, and a Work Plan addressing necessary Area I cleanup activities.

Expedient plume migration control and groundwater cleanup are extremely important. Our intent is to continue working with you and all interested parties closely to continue plume characterization and to expedite active remediation. Please call us immediately if you would like to meet and discuss our comments and recommendations.

The requirements for the revised Cleanup FS Report, the Plume Migration Control Feasibility Study, and the Area I Cleanup Work Plan are pursuant to Cleanup Order No. R3-2005-0014. Pursuant to Section 13350 of the Water Code, a violation of a cleanup order made pursuant to Water Code Section 13304 may subject you to civil liability of up to \$5,000 per day for each day in which the violation occurs.

If you have any questions, please contact **Hector Hernandez at: (805) 542-4641** or via e-mail at: hhernandez@waterboards.ca.gov, or Eric Gobler at (805) 549-3467.

Sincerely,



Roger W. Briggs
Executive Officer

ENCLOSURES:

1. August 1, 2006 Correspondence Titled, "Review of Olin Corporation June 30, 2006 Llagas Subasin Cleanup Feasibility Study Report", prepared by WorleyParsons Komex on behalf of the City of Morgan Hill.
2. August 28, 2006 Correspondence Titled, Comments on the June 30, 2006 Llagas Subasin Cleanup Feasibility Study - Olin/Standard Fuste Site, 425 Tennant Road, Morgan Hill, California," prepared by Santa Clara Valley Water District.

cc via E-mail:

Ms. Lori Okun
Office of the Chief Counsel
State Water Resources Control Board

cc via U.S. Mail:

Olin Correspondence IPL

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WorleyParsons Komex

resources & energy

Environment & Water Resources
5455 Garden Grove Blvd., 2nd Floor
Westminster, CA 92683 USA
Telephone: +1 714 379 1157
Facsimile: +1 714 379 1160
worleyparsons.com

1 August 2006

Proj. No.: H0562C
File Loc.: Westminster

California Regional Water Quality Control Board
Central Coast Region
895 Aero Vista Drive, Suite 101
San Luis Obispo, CA 93401

Dear Mr. Hernandez:

**RE: REVIEW OF OLIN CORPORATION JUNE 30, 2006 LLAGAS SUBBASIN
CLEANUP FEASIBILITY STUDY REPORT**

On behalf of the City of Morgan Hill (City), WorleyParsons Komex has reviewed the report by Olin Corporation (Olin) titled "Llagas Subbasin Cleanup Feasibility Study Report, Olin/Standard Fusee Site, 425 Tennant Avenue, Morgan Hill, California" (the FS Report). As the FS Report is the result of a sequence of regulatory directives (including the March 10, 2005 RWQCB Cleanup and Abatement Order R3-2005-0014 [2005 CAO] Item J), and draws on other technical submittals by Olin, references to these other materials are made as they arise throughout this review. The main findings of our review are discussed below. For reader convenience, select cited regulatory materials are included as Attachment A of this document.

As a whole, the FS Report does not meet the requirements of the March 10, 2005 CAO Item J, or clarifying conditions issued in the March 2, 2006 RWQCB Letter regarding Olin's January 31, 2006 Cleanup Level Report.

The primary issues why the FS Report fails to meet the required objectives are:

- 1) State Water Resources Control Board (SWRCB) Resolution Number 92-49, which references the California Code of Regulations [CCR] Title 23, Division 3, Chapter 15, requires that when a cleanup level greater than background is proposed, that the background concentration of contamination must be defined by a very specific process (SWRCB, 1995, SWRCB 1996 [guidance attached] and Sections 2550.4 and 2550.7 of the CCR Title 23, Division 3, Chapter 15, hereafter referred to as Sections 2550.4 and 2550.7). Specific language from the 1995 SWRCB Guidance regarding this issue is quoted below:

Question: How is background determined as required by Resolution No. 92-49?

Answer: Resolution No. 92-49 requires compliance with Title 23 CCR Section 2550.4 in determining cleanup levels less stringent than background. Section 2550.4 refers to Section 2550.7(e) which provides the methodology for determining background levels for ground water, surface water, and the unsaturated zone.



- 2) No background level for perchlorate in the Llagas Subbasin has been determined by Olin and the FS Report does not include any methodology for performing this calculation. Considering that the development of background levels is codified in Sections 2550.4 and 2550.7, which Olin cites multiple times in the FS Report, the reason for this deficiency is unclear.
- 3) Until a background level is developed in accordance with Sections 2550.4 and 2550.7 the RWQCB should continue to hold Olin to a cleanup level of background, that is, 1.4 micrograms per liter (ug/L) as defined by the RWQCB in their June 29, 2006 letter to Olin. The concentration of 1.4 ug/L is the method detection limit of United States Environmental Protection Agency (USEPA) Method 314 for water samples reported by Olin in their March 29, 2006 Llagas Subbasin Characterization Report (Olin 2006).
- 4) Although no definitive background level of perchlorate is defined by Olin, Olin states in the FS Report that, "*Background concentration of perchlorate in groundwater attributable to anthropogenic sources is assumed to be < 4 ug/L based upon concentrations detected upgradient of the Olin/Standard Fusee site (425 Tennant Avenue, Morgan Hill, California [Site]) and known sources of perchlorate not related to the Olin site potentially associated with anomalous detections south of the Site.*" The technical basis for this assumption, and rationale for deviating from the requirements of Sections 2550.4 and 2550.7, are not provided in the FS Report.
- 5) Given that the FS Report claims that perchlorate concentration less than 4 ug/L includes other anthropogenic sources (other than the Olin Site) and there is no evidence presented by Olin of naturally occurring perchlorate; any directive by the RWQCB should also address the fact that there is certainly perchlorate in groundwater at concentrations less than 4 ug/L and greater than background, which is due to discharges from the Olin Site. Although there may be disagreement over the determination of background perchlorate concentrations, until background is defined satisfactorily, the RWQCB should require Olin to properly address the feasibility of remediation of groundwater in the Llagas Subbasin to a level of 1.4 ug/L in a revised FS Report.
- 6) As acknowledged by both Olin and the RWQCB and detailed in numerous reports, correspondence and in meetings, there is groundwater flow to the north/northeast of the Olin Site in the Deep Aquifer. The releases of perchlorate at the Olin Site and this northward/northeasterly flow have resulted in a perchlorate plume in groundwater north/northeast of the Site associated with perchlorate detections above 1.4 ug/L. Olin's discussion of groundwater flow patterns in Section 3.4, perchlorate distribution in Section 3.6 and assertions about hypothetical anthropogenic sources of perchlorate to groundwater in the Llagas Subbasin all over-simplify and incorrectly disregard the proven northward/northeasterly flow and perchlorate distribution. The lack of any discussion at the end of Section 4.4 (FS Report page 38) of northward/northeasterly hydraulic gradients and groundwater flow, which have been confirmed by Olin's own monitoring in both the Middle and Lower Deep Aquifer zones, is a clear deficiency in the FS Report.



- 7) The FS Report and data from Olin's onsite remediation system and off-site wellhead treatment systems clearly indicate that there are no technical limitations of ex-situ treatment to remove perchlorate from groundwater to below detectable concentrations.
- 8) In Section 6.1 of the FS Report, four technically feasible remedial measures are considered; however, only two are considered for Areas II through IV, while only cursory analysis of extraction with ex-situ treatment (i.e. pump and treat) is discussed in Section 6.3. There is no meaningful technical justification given for eliminating extraction with ex-situ treatment in Section 6. The options of extraction with ex-situ treatment and in-situ treatment should have been evaluated formally in FS Report Section 7.
- 9) The FS Report directly contradicts itself in Section 6.1 where it is declared that, "a perchlorate level of 11 ug/L is expected to be protective of human health including the most sensitive receptors based on current science. Therefore, no groundwater remediation technologies would be required in Areas II, II, and IV other than MA." This statement is in direct contradiction with the cleanup level of 6 ug/L which Olin sets earlier in the FS Report. It is not correct to have multiple cleanup levels. Only the background level of 1.4 ug/L should be used for purposes of evaluating remedial options.
- 10) Although the FS Report in Section 6 states that a formal evaluation of five screening criteria was used for comparing the four remedial options, there is no criteria-by-criteria screening included for all of the four technologies/strategies in Section 6. The lack of a formal screening indicates that arbitrary decisions were made in eliminating technologies/strategies prior to expanded evaluation in Section 7. In particular, the RWQCB should require that the formal criteria-based evaluation in Section 7 be performed on at least all of the four technologies/strategies proposed in Section 6.
- 11) It is difficult to understand how an FS Report for contamination with such a large magnitude impact as the Olin plume only included formal final screening for two remedial options (no further action [NFA] and monitored attenuation [MA]). Olin's discussion of groundwater extraction and ex-situ treatment associated with SWRCB Resolution Number 92-49, presented in Section 7.4, shows this remedial option to be well within the realm of technical and economic feasibility. Therefore, the RWQCB should require Olin to pass at least five remedial alternatives from Section 6 to Section 7 for thorough evaluation. These alternatives should include, but not be limited to:
 - a. A true NFA option, where a baseline of absolutely no further action is taken;
 - b. A MA option alone, with no wellhead treatment, evaluated within the context of achieving the remedial goal of background levels.
 - c. A MA option with wellhead treatment, evaluated with the remedial goal of background levels.
 - d. A combination of groundwater extraction with ex-situ treatment for a set duration followed by MA to cleanup to background levels; and,



- e. A full analysis of groundwater extraction with ex-situ treatment to cleanup to background levels.
- 12) A time period of 20-30 years for MA to reach cleanup goals in the shallow and intermediate aquifers is presented in Section 6 of the FS Report, while in Section 7, a time period of 30 years is cited, without clarification as to which aquifer this applies (or what the numerical clean up goal is). In Section 7, a time estimate of 75 years for reaching cleanup levels is used in dismissing extraction and ex-situ treatment. It is difficult to understand how all of the attenuation processes that Olin contends are occurring and which enable MA to be completed in 20-30 years would somehow not be at least as effective if groundwater extraction was also occurring at the same time. At a minimum, the rationale as to why extraction would extend the time to reach cleanup levels beyond that for MA should be given. This obvious deficiency in Olin's analysis further justifies the RWQCB in requiring re-submittal of the FS Report in a form that more rigorously follows the USEPA (USEPA, 1988) or RWQCB guidance. An FS Report which follows a more exacting format would help in limiting the arbitrary exclusion of remedial options and provide a means for the RWQCB and interested parties to impartially compare and contrast the potential remedial options.
- 13) As implied in comments 11 and 12, if extraction and ex-situ treatment is combined with MA, it is likely that the 30 year timeframe for MA alone might be significantly reduced. This combined option should be evaluated since it could represent a more cost-effective and timely way to reach cleanup levels, and is likely more acceptable than NFA or MA to the RWQCB and stakeholders.
- 14) Beyond the unsupported elimination of extraction and ex-situ treatment in Section 6, the assertions in Section 7.4.1.1 that: 1) 600,000 acre-feet of groundwater is impacted, and, 2) groundwater pump and treat would require extraction of five pore volumes, are completely unsupported. If these estimates are erroneous towards the high end, they carry such a bias forward to the conclusions derived in the FS Report and thus do not serve the purpose of FS Reports, which is to provide a sound and thoroughly reasoned foundation for analyses of options.
- 15) The statement by Olin with regard to extraction and ex-situ groundwater treatment that, *"Assuming five pore volumes would be required to restore groundwater to background conditions, costs associated with remedial activities are estimated to exceed \$250 million. It is economically infeasible to treat this volume to background or lower concentrations,"* is not valid, even if the estimated cost is correct. There are a number of Superfund and/or state-regulated perchlorate and/or chlorinated solvent sites in California and the United States where cleanup costs have exceeded this hypothetical amount. At a perchlorate site in the Sacramento area, a mass of perchlorate of over 150 million pounds in one aquifer was estimated, and cleanup costs of one preferred alternative for the Record of Decision for just one of four Operable Units was estimated as high as \$120 million (USEPA, 2001). Estimates for the cost of perchlorate cleanup for the Baldwin Park Operable Unit in the San Gabriel Valley exceed \$200 million over just a 15 year period (USEPA, 2006).



- 16) Olin appears to have selectively chosen when and where in the FS Report to follow RWQCB, or USEPA technical guidance for feasibility studies. Given the magnitude of the impact of groundwater contamination from the Olin Site, a rigorous process, such as the USEPA *Guidance for Conducting Remedial Investigations and Feasibility Studies Under CERCLA – Interim Final, EPA540/G-89/004* [USEPA, 1988] (which was cited, but only selectively followed by Olin) should be strictly followed for all of the FS Report. The primary aspects of USEPA guidance, which were not followed in the FS Report include, but are not limited to:
- a. Development of remedial action objectives (RAOs). Two RAOs that the RWQCB should require are: 1) cleanup of the groundwater basin to background levels; and 2) achievement of RAOs within the lifetime of residents in the groundwater basin.
 - b. Complete evaluation of applicable and relevant regulations (ARARs), e.g. drinking water requirements for public water supplies such as DHS regulations on reporting perchlorate detections, local planning or development constraints regarding water supplies, such as county, city or local master plans.
 - c. Formal development of general response actions.
 - d. Complete identification and screening of remedial technologies.
 - e. Detailed evaluation of process options based on effectiveness, implementability and relative cost.
 - f. Screening of alternatives.
 - g. Detailed analysis of alternatives.
- 17) Language from the Santa Clara Valley Water District (SCVWD) perchlorate source and background study cited by Olin has absolutely no relevance as to whether or not -Olin must establish background levels in accordance with SWRCB Resolution Number 92-49. The RWQCB is requiring cleanup per CAO R3-2005-0014 and in doing so explicitly directed Olin to comply with SWRCB Resolution Number 92-49. By direct extension, this includes development of background levels. A well documented and commonly applied procedure as outlined in Section 2550.7, exists and has been followed state-wide for development of background levels. Therefore, Olin should be held to this standard and conduct all work accordingly, regardless of the SCVWD study.



WorleyParsons Komex

resources & energy

WorleyParsons Komex hopes this review is helpful to the RWQCB in your ongoing efforts to cleanup perchlorate released from the Olin Site. We are at your disposal to discuss any of the comments above. If you have any questions or need additional information please call Jon Rohrer at extension 241 or Mark Trudell at extension 161.

Sincerely,
WorleyParsons Komex

A handwritten signature in black ink, appearing to read 'Jon Rohrer'.

Jon Rohrer, PG, CHG.
Senior Hydrogeologist

A handwritten signature in black ink, appearing to read 'Mark Trudell'.

Mark Trudell, Ph.D., PG, CHG
Senior Groundwater Modeler

cc: Mr. Jim Ashcraft, City of Morgan Hill
Mr. Steven Hoch, Hatch and Parent



REFERENCES

23 CCR s 2550.4. Concentration Limits.

23 CCR s 2550.7. General Water Quality Monitoring and System Requirements

Olin 2006. Llagas Subbasin Characterization, Santa Clara County, Olin/Standard Fusee, Morgan Hill, California. MACTEC Engineering and Consulting Inc, March 29, 2006.

SWRCB, 1996. Resolution Number 92-49. Amended October 2.

SWRCB, 1995. Questions and Answers: State Water Resources Control Board Resolution No. 92-49: <http://www.waterboards.ca.gov/cwphome/docs/dod/g%26a92-49.doc> February, 15.

USEPA, 1988. Guidance for Conducting Remedial Investigations and Feasibility Studies Under CERCLA – Interim Final, EPA-540/G-89/004, October.

USEPA, 2001. Record of Decision for the Western Groundwater Operable Unit OU-3, Aerojet Sacramento Site, Rancho Cordova, California, July 20.

USEPA, 2006. http://www.epa.gov/region9/toxic/perchlorate/per_ca.html

ATTACHMENT A
CITED REGULATIONS AND GUIDANCE (SELECTED)

QUESTIONS AND ANSWERS
STATE WATER RESOURCES CONTROL BOARD
RESOLUTION NO. 92-49

I. PURPOSE

The purpose of this Memorandum is to provide information to Regional Water Quality Control Board (RWQCB) and State Water Resources Control Board (SWRCB) staff concerning the implementation of SWRCB Resolution No. 92-49 (Policies and Procedures for Investigation and Cleanup and Abatement of Discharges Under Water Code Section 13304). In 1994, the SWRCB adopted Resolution No. 92-49 under California Water Code (CWC) Section 13307. Resolution No. 92-49 establishes procedural and substantive requirements that apply to cleanups of waste. This Memorandum provides answers to frequently asked questions concerning the implementation of Resolution No. 92-49. This Memorandum also provides answers to questions concerning the application of Resolution No. 92-49 at cleanup sites subject to federal law, particularly the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA).

II. DESCRIPTION OF SWRCB RESOLUTION NO. 92-49

SWRCB Resolution No. 92-49 is a state policy that establishes policies and procedures for investigation and cleanup and abatement of discharges under CWC Section 13304. See Resolution No. 92-49 (Attachment 1). The Resolution establishes the basis for determining cleanup levels of waters of the State and soils that impact waters of the State. Dischargers are required to clean up and abate the effects of discharges "in a manner that promotes attainment of either background water quality, or the best water quality which is reasonable if background levels of water quality cannot be restored, . . ." Alternative cleanup levels less stringent than background must, among other things, not unreasonably affect present and anticipated beneficial uses of waters of the State. The Resolution also includes procedures to investigate the nature and horizontal and vertical extent of a discharge and procedures to determine appropriate cleanup and abatement measures. Resolution No. 92-49 is consistent with CWC Sections 13000 and 13304.

SWRCB Resolution No. 92-49 is applied by the RWQCBs and the SWRCB primarily by issuing cleanup and abatement orders under CWC Section 13304 and

monitoring and investigation orders under CWC Section 13267. The Resolution was adopted following all procedures required by state law and is legally binding on dischargers and other state agencies. (CWC Section 13146 and Government Code Section 11353.)

III. SWRCB RESOLUTION NO. 92-49 QUESTIONS AND ANSWERS

1. **Q. How does Resolution No. 92-49 apply to the determination of in situ cleanup levels of contaminated ground water?**

A. Resolution No. 92-49 establishes the policy that dischargers are required to cleanup and abate the effects of discharges in a manner that promotes attainment of either background water quality or the best water quality which is reasonable if background levels of water quality cannot be restored. In determining any cleanup level that is less stringent than background all demands being made and to be made on those waters and the total values involved, beneficial and detrimental, economic and social, tangible and intangible are considered. In addition, Title 23 California Code of Regulations (CCR) Section 2550.4 applies in determining cleanup levels less stringent than background. Cleanup levels less stringent than background must attain the following requirements in Paragraph III.G. of the Resolution:

- "1. Be consistent with maximum benefit to the people of the state;
2. Not unreasonably affect present and anticipated beneficial uses of such water; and
3. Not result in water quality less than that prescribed in the Water Quality Control Plans and Policies adopted by the State and Regional Water Boards."

To comply with this Resolution, the cleanup level of polluted ground water would range between background and the applicable water quality objective specified in water quality control plans.

2. **Q. Does Resolution No. 92-49 apply to cleanup of soils?**

A. Yes. Resolution No. 92-49 requires discharges to clean up and abate the effects of discharges of waste to waters of the state and discharges of waste that threaten waters of the state, which may include discharges to soil. As

described in Question and Answer No. 1, dischargers are required to clean up and abate the effects of the discharge in a manner that promotes attainment of either background water quality or the best water quality which is reasonable if background levels of water quality cannot be restored. For soils, the effects of waste in the soil on water quality must be addressed. The soil cleanup level would range between the level that would achieve background in the affected water and the alternative level that would comply with Title 23 CCR Section 2550.4 and the three factors listed in Paragraph III.G. of the Resolution, i.e., the level that would achieve the applicable water quality objectives specified in water quality control plans.

3. **Q. How does Resolution No. 68-16 apply to cleanup of ground water and soils under Resolution No. 92-49?**

A. Resolution No. 92-49 requires actions for cleanup and abatement to conform to Resolution No. 68-16. Resolution No. 68-16 would apply if discharges to high quality waters of the State were occurring or would result from the cleanup. See Questions and Answers, State Water Resources Control Board Resolution No. 68-16.

4. **Q. Under what circumstances does Resolution No. 92-49 apply to cleanup actions?**

A. Resolution No. 92-49 applies to cleanup and abatement actions under CWC Section 13304. Section 13304 authorizes the RWQCB to order cleanup or abatement where a person has discharged or discharges waste into waters of the state in violation of waste discharge requirements or other orders or prohibitions issued by an RWQCB or the SWRCB. CWC Section 13304 also authorizes the RWQCBs to require "any person who has discharged or discharges waste" or who has

"caused or permitted, causes or permits, or threatens to cause or permit any waste to be discharged or deposited where it is, or probably will be, discharged into the waters of the state and creates, or threatens to create, a condition of pollution or nuisance . . ."

to cleanup or abate such discharge.

Persons subject to Resolution No. 92-49 include present or past owners or operators and any other person who "caused or permitted . . ." discharges of waste. See SWRCB Order Nos. WQ 85-7, WQ 86-2, WQ 86-16, WQ 87-1, WQ 89-13, WQ 90-2, WQ 90-3.

5. Q. Does Resolution No. 92-49 require cleanup to zero or background?

A. No. Resolution No. 92-49 requires cleanup to occur in a manner that promotes attainment of either background water quality or that level that is reasonable if background levels of water quality cannot be restored.

6. Q. What does the term "be consistent with maximum benefit to the people of the state" mean as used in Section III.G. of Resolution No. 92-49?

A. Resolution No. 92-49 requires alternative cleanup levels less stringent than background to, among other factors, "be consistent with maximum benefit to the people of the state" and requires consideration of •all demands being made and to be made on the waters and the total values involved, beneficial and detrimental, economic and social, tangible and intangible. As with Resolution No. 68-16, this determination is made on a case-by-case basis and is based on considerations of reasonableness under the circumstances at the site. Factors to be considered include (1) past, present, and probable beneficial uses of the water (specified in Water Quality Control Plans); (2) economic and social costs, tangible and intangible, of the proposed discharge compared to the benefits, (3) environmental aspects of the proposed discharge; and (4) the implementation of feasible alternative treatment or control methods. See SWRCB Order No. WQ 92-09.

7. Q. What do the phrases "not unreasonably affect present and anticipated beneficial uses of such water" and "not result in water quality less than that prescribed in the Water Quality Control Plans and Policies adopted by the State and Regional Water Boards" mean as used in Section III.G. of Resolution No. 92-49?

A. The CWC requires the SWRCB and RWQCBs to specify the beneficial uses of each water body in Water Quality Control Plans. Such beneficial uses include past, present, and probable future uses and include domestic, municipal, agricultural and industrial supply, power generation, recreation, aesthetic enjoyment, navigation, and preservation and enhancement of fish, wildlife, and other aquatic resources or preserves. (CWC Section 13050(f).) Waters are designated for particular beneficial uses if they are suitable for that use even if they are not currently being used. Such probable uses must also be protected to ensure future usability of the water. See e.g., CWC Sections 13000 and 13241.

The CWC generally requires the SWRCB and RWQCBs to establish water

quality objectives in water quality control plans to ensure the reasonable protection of beneficial uses. Compliance with Resolution No. 92-49 would ordinarily require compliance with the water quality objectives in order to ensure the reasonable protection of beneficial uses.

The SWRCB and the RWQCBs have the authority under the CWC to adopt policies, including water quality control plans, for the protection of waters of the State. Such policies establish beneficial uses (e.g., SWRCB Resolution No. 88-63, "Sources of Drinking Water Policy"), water quality objectives (e.g., California Ocean Plan, RWQCB Water Quality Control Plans), antidegradation policy (e.g., Resolution No. 68-16), and other requirements for protection of waters of the State. To comply with Resolution No. 92-49, a cleanup and abatement action must comply with these other plans and policies of the SWRCB or the RWQCBs where applicable to the situation.

Cleanup levels should result in the protection of the designated beneficial uses and compliance with the relevant water quality objectives, implementation plans, and discharge prohibitions.

8. **Q. How is background determined as required by Resolution No. 92-49?**

A. Resolution No. 92-49 requires compliance with Title 23 CCR Section 2550.4 in determining cleanup levels less stringent than background. Section 2550.4 refers to Section 2550.7(e) which provides the methodology for determining background levels for ground water, surface water, and the unsaturated zone.

9. **Q. How does Title 23 California Code of Regulations, Division 3, Chapter 15 ("Chapter 15") apply to cleanup and abatement actions under Resolution No. 92-49?**

A. Chapter 15 applies primarily in three types of circumstances:

1. If cleanup and abatement involves corrective action at a waste management unit regulated by waste discharge requirements, all applicable requirements of Chapter 15 apply. For example, if the waste management unit is an "existing" waste management unit to be closed, Article 5 (Water Quality Monitoring and Response Programs for Waste Management Units) and Article 8 (Closure and Post-Closure Maintenance) would apply to the unit. See Title 23 CCR Section 2510(d) and Resolution No. 92-49 Section III.F. If the waste management unit is a "closed, abandoned, or inactive" waste

management unit, Article 5 would be applicable and Article 8 would be considered in determining appropriate closure methods. See Title 23 CCR Section 2510(g) and Resolution No. 92-49 Section III.F.

2. If cleanup and abatement of discharges of waste resulting from unintentional or unauthorized releases of waste involves the removal of the waste from the immediate place of release for treatment, storage, or disposal of waste to land, the new discharge must comply with Chapter 15. Article 2 specifies the method for classifying the waste to determine appropriate management. See Title 23 CCR Section 2511(d) and Resolution No. 92-49 Section III.F.
3. If cleanup and abatement of discharges resulting from unintentional or unauthorized releases involves actions other than removal, such as containment or in-situ treatment, the applicable provisions of Chapter 15 apply to the extent feasible. See Title 23 CCR Section 2511(d) and Resolution No. 92-49 Section III.F.

Application of Resolution No. 92-49 at sites subject to CERCLA.

The Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA) is the federal law that establishes requirements for the cleanup of sites containing hazardous substances. It establishes cleanup standards that are in part based on state cleanup requirements. Specifically, CERCLA Section 121(d)(2) requires remedial actions at CERCLA sites listed on the National Priorities List (NPL) to at least attain federal and more stringent state "applicable or relevant and appropriate" requirements (ARARs) upon completion of the remedial action. The 1990 National Contingency Plan (NCP), which are the federal regulations that implement CERCLA, requires compliance with ARARs during remedial actions as well as at completion, and mandates attainment of ARARs during removal actions to the extent practicable. See NCP, 40 CFR Section 300.435(b)(2) and 300.415(i). CERCLA establishes criteria necessary for a state requirement to be considered an ARAR and therefore be applicable to a cleanup at a site listed on the NPL. The following questions and answers discuss Resolution No. 92-49 as an ARAR.

10. **Q. Is Resolution No. 92-49 a potential ARAR at CERCLA sites?**
 - A. Yes. CERCLA Section 121 requires remedial actions to attain state requirements that qualify as ARARs. State ARARs must be promulgated (legally enforceable and of general applicability) and more stringent than federal ARARs. Resolution No. 92-49 meets CERCLA's requirements since it is legally enforceable and of general applicability. It is legally enforceable

because it was adopted in conformance with the procedural requirements of state law. The SWRCB adopted Resolution No. 92-49 under CWC Section 13140 and 13307. Resolution No. 92-49 was adopted properly following notice and several public hearings and was approved by the Office of Administrative Law in accordance with applicable state law. Upon adoption by the SWRCB and approval by the Office of Administrative Law, the Resolution became legally enforceable under the CWC. Resolution No. 92-49 is of general applicability. It applies to all discharges of waste to waters of the state or that threaten waters of the state.

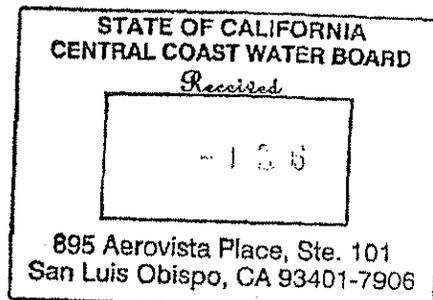
ARARs include only those requirements that are substantive, not procedural. The substantive, but not the procedural requirements of Resolution No. 92-49 are potential ARARs at CERCLA sites. Sections III.F. And III.G. Of Resolution No. 92-49 contain substantive requirements.

11. **Q. How is Resolution No. 92-49 incorporated into cleanups at CERCLA sites?**

A. Resolution No. 92-49 is usually implemented when the RWQCB issues a cleanup and abatement order or monitoring order. At sites subject to CERCLA, the substantive requirements of Resolution No. 92-49 should be incorporated into the decision document (either a Record of Decision or Removal Action Memorandum) for the site. CERCLA and the federal National Contingency Plan (40 CFR Part 300) establishes an iterative process for identifying substantive requirements as early as possible in the remedial investigation/feasibility study and remedy selection process.

August 28, 2006

Mr. Roger Briggs
Central Coast Water Board
895 Aerovista Place, Ste. 101
San Luis Obispo, CA 93401



Subject: Comments on the June 30, 2006 Llagas Subbasin Cleanup Feasibility Study –
Olin/Standard Fusee Site, 425 Tennant Road, Morgan Hill, California

Dear Mr. Briggs:

The Santa Clara Valley Water District (District) has reviewed the Central Coast Regional Board's CAO No. R3-2005-0014 Ordering Section J – Llagas Subbasin Cleanup Feasibility Study, and Olin's "Cleanup Feasibility Study Report" submitted on June 30th 2006. The District recommends that the Water Board reject Olin's submittal as non-responsive.

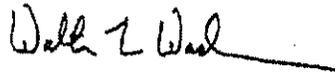
Olin's submittal does not evaluate basinwide cleanup alternatives as required, nor does the report address all relevant beneficial uses of groundwater. Olin has prepared a detailed analysis of only two possible alternatives -- no further action at all or only monitoring of perchlorate attenuation -- while summarily rejecting any active remedial measures by Olin. Olin has not identified or presented a detailed analysis of an adequate number of active remedial alternatives. On the basis of this inadequate feasibility study, it is unacceptable to propose a "do-nothing" approach for perchlorate occurring in drinking water wells at concentrations up to four times in excess of the current operative water quality criterion. The report contains a great many deficiencies, omissions, and unsupported arguments and does not satisfy the requirements or intent of the Water Board's Feasibility Study process.

Olin gives the Water Board an all-or-nothing approach, concluding that because Olin finds it too expensive to treat all the groundwater, it will therefore do nothing more than periodically monitor wells in the basin, a task which Olin is already required to do. Even in the maximum effort alternative, Olin does not propose to restore basin groundwater conditions to the background conditions that preceded the perchlorate contamination from its facility. The District recommends that the Water Board direct Olin to prepare a report in a manner that follows the CAO requirements, contains a detailed analysis of a range of feasible alternatives employing active remedial measures, and identifies feasible solutions to the contamination it has caused, which has affected the property owners, growers and groundwater resources in the Llagas subbasin. The District believes that the Regional Board's feasibility study process will only be served once Olin provides details on several feasible alternatives that address the optimum remedial effort, based upon a Cleanup Level that meets the requirements of State Board Resolutions 92-49 and 68-16, i.e., cleanup to Background.

Mr. Roger Briggs
Page 2
August 28, 2006

The District's review comments for the Cleanup Feasibility Study are attached.

Sincerely,



Walt Wadlow
Chief Operating Officer
Water Utility

Cc: Suzanne Muzzio, Santa Clara County Environmental Health Department
Greg van Wassenhove, Santa Clara County Agricultural Commissioner
Jim Ashcraft, City of Morgan Hill Public Works Director
Carla Ruigh, City of Gilroy Community Services Director
Sylvia Hamilton, Perchlorate Community Advisory Group
B. Ahmadi, M. Richardson, K. Whitman, T. Mohr

District's review comments for the Cleanup Feasibility Study

The June 30, 2006 Cleanup Feasibility Study Report (CFS) submitted by Olin Corporation (Olin) does not provide for Background Concentration as it is required by State Water Board Resolution 92-49. Absent a substantive effort to quantitatively establish the background concentration, the Central Coast Water Board should consider using an Interim Background level, until a better definition of Background becomes available. The District recommends that the Water Board consider using 2 parts per billion as the Interim Background Concentration, since that is the level to which the Department of Health Services requires treatment for distribution of treated groundwater to the City of Morgan Hill's water system.

Olin's submittal does not evaluate basinwide cleanup alternatives as required, nor does the report address all relevant beneficial uses of groundwater. Olin has prepared a detailed analysis of only two possible alternatives – no further action at all or only monitoring of perchlorate attenuation – while summarily rejecting any active remedial measures by Olin. Olin should be required to submit a new Cleanup Feasibility Report that contains a detailed analysis of several feasible alternatives that address the optimum remedial effort and all relevant beneficial uses of groundwater, based upon a Cleanup Level that meets the requirements of State Board Resolutions 92-49 and 68-16, i.e., cleanup to Background.

SWRCB Resolution 92-49

In the CFS, Olin interprets State Water Resources Control Board (SWRCB) Resolution 92-49 to allow a cleanup level greater than background for its release of perchlorate into the Llagas groundwater subbasin. A cleanup level higher than background concentrations pertains to those situations where contaminants would not impair beneficial uses such as the "Containment Zone" provisions of 92-49. The circumstance of Olin's release of perchlorate into a sole-source drinking water aquifer is definitely not one of the situations where the "Containment Zone" provisions can be applied.

Olin has not yet begun cleaning up the basin, but is already seeking to obtain a Cleanup Level higher than background. Olin arbitrarily uses the US EPA Preliminary Remediation Goal (PRG) of 24.5 parts per billion (ppb) to define the "Plume Core", and then proposes an as-yet unspecified remedy for areas where perchlorate exceeds 24.5 ppb. Olin's proposed use of the EPA PRG is unsupported and inappropriate for a number of reasons, including the fact that the current Public Health Goal (PHG) in the State of California is 6 ppb.

SWRCB Resolution 92-49 provides detailed interpretation of the State Board's earlier Resolution 68-16, which is more commonly known as the California Antidegradation Policy. The SWRCB Resolution 92-49 requires that the Regional Water Boards adopt Orders and render decisions in a manner that maintains the highest water quality consistent with the maximum benefit to the people of the State:

§4. *Regional Water Boards [are authorized] to require complete cleanup of all waste discharged and restoration of affected water to background conditions (i.e., the water quality that existed before the discharge);*

§14. *Environmental damage may increase when a poorly conceived investigation or cleanup and abatement program allows pollutants to spread to previously unaffected waters of the state;*

§26. *It is not the intent of the State or Regional Water Boards to allow dischargers, whose actions have caused, permitted, or threaten to cause or permit conditions of pollution, to avoid*

responsibilities for cleanup. However, in some cases, attainment of applicable water quality objectives for ground water cannot reasonably be achieved. In these cases, the State Water Board determines that establishment of a containment zone is appropriate and consistent with the maximum benefit to the people of the State if applicable requirements contained in the Policy are satisfied. The establishment of a containment zone does not limit or supersede obligations or liabilities that may arise under other laws;

Resolution II.A.9. [The Regional Board shall] Prescribe cleanup levels which are consistent with appropriate levels set by the Regional Water Board for analogous discharges that involve similar wastes, site characteristics, and water quality considerations;

III.H. A containment zone is defined as a specific portion of a water bearing unit where the Regional Water Board finds, pursuant to Section III.H. of this policy, it is unreasonable to remediate to the level that achieves water quality objectives. . . . Examples of sites which may qualify for containment zone designation include, but are not limited to, sites where either strong sorption of pollutants on soils, pollutant entrapment (e.g. dense non-aqueous phase liquids [DNAPLS]), or complex geology due to heterogeneity or fractures indicate that cleanup to applicable water quality objectives cannot reasonably be achieved.

III.H.1. In establishing a containment zone, the following procedures, conditions, and restrictions must be met:

b. Economic feasibility is an objective balancing of the incremental benefit of attaining further reductions in the concentrations of constituents of concern as compared with the incremental cost of achieving those reductions. The evaluation of economic feasibility will include consideration of current, planned, or future land use, social, and economic impacts to the surrounding community including property owners other than the discharger. Economic feasibility, in this Policy, does not refer to the discharger's ability to finance cleanup. Availability of financial resources should be considered in the establishment of reasonable compliance schedules;

III.H.2. e. The proposed management plan must provide reasonable mitigation measures to substantially lessen or avoid any significant adverse environmental impacts attributable to the discharge. At a minimum, the plan must provide for control of pollutants within the containment zone such that water quality objectives are not exceeded outside the containment zone as a result of the discharge.

III.H.3. a. In no event shall the size of a containment zone or the cumulative effect of containment zones cause a substantial decline in the overall yield, storage, or transport capacity of a ground water basin;

III.H.3. d. A containment zone shall not be designated in a critical recharge area.

These and other provisions of SWRCB Resolution 92-49 are similar to and consistent with the District Board of Directors' Ends Policy 2.1.6., which states, "The groundwater basins are aggressively protected from contamination and the threat of contamination."

The District has weathered significant groundwater contamination cases. The District teamed with the San Francisco Bay Water Board and US EPA to pursue identification and cleanup of solvent contamination from electronics, heavy industry, and military facilities throughout Santa Clara County beginning in the 1980's, the most notable examples of which include:

- the Fairchild case, in which a three mile plume of chlorinated solvents has been completely remediated except for a source area within a slurry cut-off wall;

- the IBM case, in which a four mile plume of chlorinated solvents has been entirely cleaned up in the period 1979 through 2006, with only a small area and some source zones remaining;
- the ongoing and well-known large-scale cleanup cases Moffett Field, Middlefield-Ellis-Whisman, Hillview-Porter, California-Olive-Emerson, Mohawk Chemical, Jones Chemical, Great Western Chemical, Jasco Chemical, Van Waters and Rogers, United Defense, United Technologies, Raytheon, Lockheed, Westinghouse, Northrup Grumman, National Semiconductor, Intel, NEC Electronics, Philips Electronics, Applied Materials, Advanced Micro Devices, Signetics, Intersil, American Micro Devices, TRW Microwave, Varian, Teledyne-Singer, Ampex, Anadite, twelve Hewlett Packard Sites, Magnetic Peripherals, Micrel/Litronix, Siliconix, and a number of major landfill sites.

The District's experience with these cases provides evidence that groundwater cleanup is an achievable goal. The IBM and Fairchild cases, which involved recalcitrant and elusive contaminants in the DNAPL¹ category, have achieved complete removal of many square miles of off-site contamination. The Water Board aggressively pursued cleanup, and ensured that further damage to drinking water supplies was prevented. These cases serve as proof that perchlorate can be effectively remediated to background in the Llagas groundwater subbasin. Cleanup of perchlorate may be somewhat easier because of its high solubility and low affinity to adsorb to the mineral framework of aquifer sediments, i.e., perchlorate is more easily removed from the aquifer than chlorinated solvents.

The above sections of SWRCB Resolution 92-49 indicate that the Water Board should reject Olin's request to establish a Cleanup Level higher than Background. Olin presents its arguments for a 24.5 ppb Cleanup Level in Section 4 of the CFS. In the following paragraphs, a partial list of the incorrect and/or unsupported statements and conclusions in Olin's CFS report is provided:

1. Olin initially presents four cleanup alternatives, two of which involve active remediation. Based on an inadequately supported screening process, Olin concludes that one of these is technically infeasible (in situ bioremediation for Areas I, II, III, and IV), and the remaining proposal for active cleanup, pump and treat, is presented as a full-scale build-out including 80 pumping wells, miles of piping, tanks, multiple treatment units, and recharge ponds, and costing \$285 million over 75 years. Olin dismisses this option as economically infeasible without offering any detailed analysis of this alternative. Olin fails to identify and provide a detailed analysis of a range of active remedial alternatives that would be economically feasible and otherwise comply with applicable requirements. Olin's summary dismissal of any active remedial measures does not present the Water Board with a choice of the optimal level of cleanup effort required to make a material improvement to basin water quality.

Additionally, Olin has presented no remedial baseline, i.e., the rate at which perchlorate can be expected to diminish if no action is taken. With an acceptable analysis of remedial baseline, the Water Board could weigh cleanup options with a reference frame for how much faster cleanup could be achieved than the passive long-term dispersion and dilution approach provided by Olin's preferred Monitored Attenuation option for Areas II, III, and IV.

Recommendation: The District recommends that the Water Board require Olin to (1) identify and conduct a detailed analysis of a range of feasible remedial

¹ "DNAPL" = Dense Non-Aqueous Phase Liquids, which are difficult to remediate because of their limited solubility and tendency to descend deep into aquifers because they are heavier than water.

alternatives that employ active remedial measures by Olin, and (2) provide a remedial baseline by which the cleanup options can be objectively analyzed and evaluated.

2. Olin states that the Cleanup Level should be 6 ppb, however the report indicates that remediation will only be implemented in locations where concentrations exceed 24.5 ppb. For all intents and purposes, Olin proposes no cleanup action below 24.5 ppb. Furthermore, neither concentration level is the Background or an acceptable cleanup level for the Llagas groundwater subbasin.

Recommendation: The District requests that the Water Board establish a Cleanup Level equivalent to the perchlorate Background concentration.

3. Olin proposes that "*Monitored Attenuation*" will address the areas where perchlorate is less than 24.5 ppb, based upon Olin's interpretation that concentrations of perchlorate may be decreasing, as described in Olin's March 30th Basin Characterization Report. The Second Quarter 2006 Monitoring report filed by Olin on July 30th indicates that, of 362 wells in which a majority of the test results in the last four quarters exceed 6 ppb, 74 percent had stable, unchanging, or indeterminate trends, while 20% had decreasing or probably decreasing trends, and 6 percent had increasing or probably increasing trends. Therefore, Olin's assertion, that Monitored Attenuation will achieve a decrease in perchlorate concentrations, is supported by only 20% of the wells and thus contradicted by 80% of the wells.

Olin's basis for concluding that there are decreasing trends is rather mixed. Figure 1, presented in the list of omissions, below, shows that on an areal basis, about 13% of the area within which enough monitoring has been done to establish trends is apparently decreasing, while trends are indeterminate in up 81% of the area. We refer to the trends as "*apparent*" because the number of data points used to determine trend varies by well. While the trend over the last three years may be decreasing, in some wells, each of the last three data points has been higher than the previous data point. Using only Olin's trend determinations, no conclusions regarding trend can be drawn for three quarters of the monitored wells. The premise that Monitored Attenuation will result in lowering of perchlorate concentrations is based upon interpretive statistics. No mechanism or rate for perchlorate elimination has been proposed, and no quantitative estimate is provided for the time it will take for perchlorate to dissipate under current conditions.

Recommendation: The District requests that the Water Board require Olin to provide a quantitative analysis validating the basis for the "*Monitored Attenuation*" approach.

4. The California Anti-degradation Policy, as enumerated in SWRCB Resolution 92-49, calls for consideration of all applicable and relevant water quality objectives. The CFS report does not address agricultural water quality objectives. The report does not acknowledge that perchlorate accumulates in numerous crops, and that the presence of perchlorate in irrigation water pumped out of Olin's plume may limit growers' crop options and marketing opportunities. Resolution 92-49 calls for "considering all demands being made and to be made on those waters and the total values involved, beneficial and detrimental, economic and social, tangible and intangible".

According to the Santa Clara County Agricultural Commissioner's 2005 Crop Report, the direct economic value of Santa Clara County's crops was more than \$250 million. Most of this value was derived from crops produced in the area impacted by Olin's perchlorate plume. This figure does not include agriculture's indirect economic value in the perchlorate-impacted portions of the Llagas groundwater subbasin, such as the farm labor employment, supporting businesses, and downstream markets.

Recommendation: The District requests that the Water Board require Olin to provide an analysis that identifies the Cleanup Level that will not impair agricultural beneficial uses.

5. The CFS report does not address ecological water quality objectives. Recent studies suggest that perchlorate has an endocrine disrupting effect on aquatic organisms (see e.g. Environmental Toxicology and Chemistry: No. 25, pp. 2087–2096).

Recommendation: The District requests that the Water Board require that Olin review available ecotoxicological studies to analyze and support selection of protective Cleanup Levels that will not harm aquatic ecosystems in the streams, creeks, and wetlands in the Llagas Valley and points downstream. Olin should perform a risk assessment to address the narrative toxicological water quality objectives in the Basin Plan.

6. Olin's discussion of the 6 ppb PHG, the pending MCL, the 24.5 ppb federal PRG, and its earlier submittal of an 11 ppb Cleanup Level does not support its determination of a proposed Cleanup Level within the guidelines of SWRCB Resolution 92-49. The appropriate determination must be made in the context of Background levels of perchlorate. In Section 4.4, Olin states, "*anthropogenic sources contribute perchlorate to the Llagas Subbasin, which results in background perchlorate concentrations up to 4 µg/L.*" Olin provides several examples of how perchlorate from other sources could be introduced to the groundwater basin; however, Olin fails to establish a cause and effect relationship through either calculation or sampling evidence to prove that these sources have contributed perchlorate to the Llagas Subbasin. While Olin has sampled wells and detected perchlorate at locations north of the site, it has not shown that the source of that perchlorate originates elsewhere, nor has it shown that the detections could not have originated from its facility.

Recommendation: The District recommends that the Water Board cause Olin to investigate and provide quantitative sampling evidence (not calculations) for its claims that roadside flare residuals, bleach, or other potential sources of perchlorate have actually caused perchlorate groundwater contamination.

7. Olin cites (at page 34) a sentence in a District draft document that refers to staff opinion about the RWQCB's ability to require Olin to conduct a basin-wide study of background concentrations of perchlorate. This has no bearing on the RWQCB's authority in the Olin case. The District's study is intended to produce information that will ultimately be useful to the District for groundwater management and operational considerations, and that may also be useful to RWQCB's administration of the Olin case. However, the District's study is proceeding independently from the regulatory timeline. Olin must therefore continue investigating background conditions. Olin's groundwater flow measurements show northeast flow in the deep zone, and therefore Olin needs to expand its investigations to the north, west, and east to

establish background conditions relevant to determining the Background Level to which perchlorate must be remediated.

Recommendation: The District requests that the Water Board cause Olin to perform a quantitative analysis of the Background concentration of perchlorate for use in establishing the Cleanup Level. The District requests that the Water Board establish an Interim Cleanup Level equal to the lowest detected perchlorate concentrations in wells that the Water Board has confirmed are not contaminated by perchlorate originating from the Olin site, until Olin can provide a reasonable and acceptable analysis of Background concentration levels. The District understands that these detections are less than 2 parts per billion.

8. In Section 4.5, Olin describes cleanup levels established by Water Boards, US EPA, or the Department of Toxic Substances Control. The cleanup levels established at other sites are not applicable to the Olin case and are inappropriate under these circumstances. Olin's release of perchlorate has impacted more private drinking water wells than any other known perchlorate release in the entire United States. Table 4.1 reveals that none of the sites where drinking water wells have been impacted had the cleanup level equal to the PHG for the drinking water wells. Some sites have used the PHG as a property line cleanup level to protect downgradient drinking water wells. Most of the sites have not yet reached the point of establishing a cleanup level. At the site nearest to the Olin Case, the San Francisco Bay Water Board has set the cleanup level within the Pratt and Whitney/Rocketdyne property to 6 parts per billion. However, for all off-site groundwater and surface water, the cleanup level is "non-detect" to ensure protection of beneficial uses of surface water and groundwater.

Recommendation: The District recommends that the Water Board consider the specifics of this case and its impact on drinking water wells and long term water supply reliability when establishing the Cleanup Level appropriate for the Llagas subbasin and all the associated beneficial uses.

9. Throughout the CFS report, Olin identifies the District's groundwater recharge program as the key factor contributing to reduction of perchlorate levels in the Llagas subbasin, upon which it relies for the "Monitored Attenuation" alternative. The unarticulated premise for "Monitored Attenuation" is that District recharge operations will continue indefinitely at a constant and beneficial level. Numerous factors related to operational requirements, budgets, capital costs, and water supply availability affects the artificial recharge operations in the Llagas subbasin. Moreover, Olin has not approached the District or reached any agreement with the District for continued operation of artificial recharge to benefit cleanup of perchlorate. It is therefore inappropriate for Olin to propose a remedy that relies entirely on operations that it does not control or has not sought to collaborate on.

Recommendation: The District recommends that the Water Board require Olin to provide a supportable basis for the cleanup of perchlorate by "Monitored Attenuation".

UNSUPPORTED REGULATORY INTERPRETATIONS:

- 1) Olin has made much of the CAO's Ordering Paragraph J Item 7: "An evaluation of alternatives for plume core remediation". This is the only place in the CAO where the phrase "core" is used; it is not a defined term. Olin has capitalized on the absence of an official definition of this term to assert that the core of the plume is everything greater than EPA's Preliminary Remediation Goal (PRG), 24.5 ppb. The PRG is a federal guidance level that has no bearing on a Regional Board case.
- 2) Olin has arbitrarily and capriciously decided that it can map the plume core for the rest of this year, and then submit a report in January 2007. The time and place to submit a plume map was in the Characterization Study, CAO Ordering Section D, which was due March 30th, 2006. By submitting an incomplete and substandard Plume Characterization Work Plan, Olin obtained significant delay, so that there was little time between the date that the Water Board was provided with enough of a plan to issue partial approval, and the due date.

The current report was to include a Cleanup Feasibility Study for the whole plume including the core. Olin submitted the Feasibility Study in two parts, with the second part addressing the plume core, which by Olin's arbitrary definition includes Area I. The Area I Feasibility Study is due August 30th by arrangements between Olin and the Water Board that were not shared with the Perchlorate Community Advisory Group, the Perchlorate Working Group, or the public. Olin must include a map of the plume core and a remedial feasibility analysis in that report. However, the plume core may not be limited to Area I if the Water Board decides that another basis for defining the plume core is more appropriate.

Recommendation: The Water Board should determine the basis for establishing the Plume Core and require that the Area I Cleanup Feasibility Study report address all areas where perchlorate has been found in excess of the Water Board's Plume Core threshold.

OMISSIONS

#1 Olin has made reference to an apparent discontinuity in the distribution of perchlorate east of US 101. The CFS speculates that this feature may be due to:

- increased hydraulic conductivities in aquifer units east of US 101,
- regional recharge diluting perchlorate where the plume crosses US 101,
- a second source of perchlorate.

These possibilities could be further elucidated by bracketing the limits to perchlorate migration based on hydrogeologic constraints to groundwater flow rates. Olin has completed an extensive effort to obtain hydraulic conductivities from innovative slug tests performed during sonic drilling of fourteen new multi-port wells. The multi-port wells have yielded high resolution head profiles at different intervals within the aquifer, and Olin is collecting quarterly head data over an extensive network of private wells selected for their construction features. Nevertheless, Olin has thus far refrained from advancing an estimate of possible groundwater flow and perchlorate migration rates in either the Basin Characterization report or the CFS.

Table 1, below, approximates groundwater flow velocities based on Olin's conductivity, porosity, and gradient data. The data presented are taken from Olin's Basin Characterization Report.

The following flow velocity calculations apply simplifying assumptions, while also ignoring 1) the effects of variable downward vertical gradient near the site and 2) discharging conditions toward the southern end of the currently mapped extent of perchlorate occurrence.

Region	Shallow	Upper Int	Lower Int	Deep	Representative Inferred Conductivity, K, ft/day	Approximate Horizontal Gradient, ft/ft (dh/dl)	Effective Porosity, n_e , from Table 5.2	Apparent Groundwater Flow Velocity, v ft/day (rounded to nearest foot/day)
Morgan Hill	●				200 ft/day	0.002	0.10	4 ft/day
San Martin	●				200 ft/day	0.004	0.13	6 ft/day
Gilroy	●				200 ft/day	0.002	0.13	3 ft/day
Morgan Hill		●			300 ft/day	0.0014	0.08	5 ft/day
San Martin		●			300 ft/day	0.0039	0.08	15 ft/day
Gilroy		●			300 ft/day	0.0029	0.20	4 ft/day
Morgan Hill			●		50 ft/day	0.0014	0.06	1 ft/day
San Martin			●		50 ft/day	0.0039	0.10	2 ft/day
Gilroy			○		50 ft/day	0.0029	0.06	2 ft/day
Morgan Hill				●	20 ft/day	0.002	0.07	0.6 ft/day
San Martin				●	20 ft/day	0.004	0.05	2 ft/day
Gilroy				●	20 ft/day	0.002	0.03	1 ft/day

$$v = (K \times dh/dl) / n_e$$

○ = data not obtained from this zone; value interpolated from adjacent zones

We submit the above "back of the envelope" review of the data to profile the importance of advancing groundwater flow velocity estimates using simple, verifiable calculations.

Taking the geometric mean of roughly interpreted groundwater flow velocities in all aquifers, a regional groundwater flow velocity of 2.6 feet per day can be obtained. Taking the geometric mean of only the shallow and upper intermediate zones, a groundwater flow velocity of about 5.3 feet per day can be obtained.

For the former value, assuming perchlorate releases began in the first year of operations in 1956 and perchlorate continues to be released from fine grained soils in aquitard units to the present day, we get a plume length of about nine miles. For the latter value, under the same assumptions, perchlorate could potentially migrate a substantial distance south of Highway 152, i.e., further than the ten-mile plume mapped in Olin's reports.

Olin identifies an apparent discontinuity in perchlorate concentrations. However, Olin has detected perchlorate at concentration of close to 2,000 ppb in an off-site aquitard, which suggests an ongoing source. All of the currently mapped plume extent could originate from the Olin site, and it remains possible that perchlorate from the Olin site occurs south of Highway 152.

Recommendation: The Water Board should cause Olin to produce a verifiable calculation supported by field data to estimate reasonable groundwater flow and perchlorate migration rates in different portions of the basin.

#2 Olin has not estimated the remedial baseline. The Cleanup Feasibility Study has not provided an answer to the question, "What happens to the perchlorate that is now being pumped out of the aquifer and used for irrigation, domestic plumbing, household uses, etc.?" Instead, it assumes that mixing, dispersion or dilution is and will be responsible for all concentrations declines.

The approximate amount of perchlorate abstracted from the aquifers beneath the Areas II, III and IV discussed in the CFS Report can be calculated to a total approximating 70 pounds per year:

<u>Area</u>	<u>Pumping</u>	<u>Pounds Perchlorate Removed Per Year</u>
II	~220 Acre-Feet/yr	~2 pounds per year
III	~1,350 AF/yr	~15 pounds per year
IV	~5,200 AF/yr	~50 pounds per year

The perchlorate pumped out of the aquifer may all recirculate and infiltrate back into the aquifer, or some may be eliminated through biologic reduction in septic tanks, soils, or in pockets of anaerobic groundwater. The CFS posits that perchlorate in the shallow zone will be reduced through continuing irrigation, but does not describe the mechanism by which that reduction is achieved. Although uptake in crop biomass is one fate that will eliminate perchlorate from the aquifer, it may also complete a route of exposure. The CFS has failed to evaluate the fate of perchlorate in septic tanks, or whether any vadose zone processes might eliminate perchlorate.

The one instance in which perchlorate elimination from extracted groundwater is assured is on the treatment systems. Olin's monthly status reports only state the total gallons of water treated, without reporting the mass of perchlorate removed. From Olin's figures, the inference can be made that the West San Martin Water Works treatment units have removed only about five pounds of perchlorate ion since they were first equipped with treatment systems in 2003, while the San Martin County Water District Treatment units removed only about four pounds since startup.

It would be helpful to estimate the amount of perchlorate now being removed from the aquifer through all the ion exchange treatment systems installed on private wells and the two small water systems by Olin, and especially the treatment systems installed on municipal wells installed by the City of Morgan Hill, where the greatest mass removal is likely to occur.

Recommendation: 1) The Water Board should consider directing Olin to produce estimates of the remedial baseline, so that alternatives compared in a future, properly executed Cleanup Feasibility Study can be rated against a baseline.

2) The Water Board should consider directing Olin to revise its monthly reports to list the mass removed by each treatment unit.

#3 Olin has not estimated how much perchlorate is in the aquifer. Olin issued a memo to US EPA in November 1978, in which they report that annual usage of potassium perchlorate was 149,600 pounds per year. A September 1978 Olin staff memo explains that from 1955 until 1970, waste material, including potassium perchlorate, was buried in pits on the property. From 1970 until 1973, waste material was placed in an unlined trench and burned. Olin has a much more detailed knowledge of the site operating history, and is well-positioned to make a more accurate estimate of the probable mass of perchlorate released to the Llagas groundwater subbasin.

This year, Olin discovered from their investigations that aquitards near the site harbor large masses of perchlorate, producing the highest off-site concentrations found to date. Fine-grained materials may still hold a substantial reservoir of perchlorate that will sustain the plume for many years to come. In the District's December 19, 2003 Letter to the Water Board, the District indicated the importance of ascertaining the properties of aquitards with respect to fine-

grained storage and back-diffusion to produce long-term 'plume-tailing'.² When a heterogeneous aquifer assemblage exhibits dual porosity effects, with the bulk of the pore volume residing in less conductive fine-grained sediments that are adjacent to more porous flow channels, perchlorate can be stored and act as a static contaminant reservoir for an extended period of time, resulting in plume longevity that may rival that of a chlorinated solvent release.

Recommendation: 1) The Water Board should consider directing Olin to produce estimates of the mass of perchlorate released to the Llagas groundwater subbasin through all pathways, based on knowledge of the facility's operating history.

2) The Water Board should consider directing Olin to produce estimates of the mass of perchlorate residing in the transmissive aquifer materials as well as the mass of perchlorate stored in the fine-grained deposits, and to provide an analysis of whether perchlorate residing in the fine-grained deposits will act as a long term source.

#4 Olin has omitted the wells with perchlorate detections located outside Areas I, II, III, and IV. Wells in the Northeast Study Area, and wells located to the east and west of the designated areas, are arbitrarily excluded from consideration for cleanup. There are more than 150 wells with perchlorate detections outside Olin's designated areas. In the results reported in the 2nd Quarter 2006 Monitoring report, more than 30 wells located outside Olin's designated areas have a detection of 4 ppb or greater.

Olin's basis for designating Areas I, II, III, and IV is the concentration of perchlorate in wells in each area. Perchlorate concentration is a transient parameter. Defining areas based on results at a single point in time will invariably lead to those areas failing to account for some wells outside the areas.

Instead of designating areas based on concentrations, a more appropriate approach would be to determine a cleanup plan based on which technologies are best-suited for different concentration ranges. It is unlikely that all the wells within Areas I, II, III, and IV (1 square mile, 1.4 square mile, 5 square miles, and 6.3 square miles, respectively) can appropriately be addressed using a one-size fits all remedy, unless the selected remedy removes all perchlorate.

The CFS should evaluate the alternative of eliminating perchlorate from all ongoing groundwater pumping by installing wellhead treatment on all affected wells. This approach could protect existing beneficial uses of water and between 60 and 70 pounds of perchlorate per year could be removed. The cost of equipping all impacted wells with treatment units could be less than \$45 million in a 30 year operating timeframe (assuming \$15,000 initial capital costs per well and \$2,000 per year operating costs, based on figures presented by Olin to the Perchlorate Community Advisory Group). This remedy would need to be augmented by targeted extraction in areas with higher perchlorate mass to accelerate basin restoration.

Recommendation: 1) The Water Board should consider directing Olin to abandon the Area designations, and instead devise a Cleanup Feasibility Study that addresses all of the perchlorate plume as delineated by the sum of all monitoring performed to date. The Water Board should prohibit Olin from carving out some portions of the plume and abandoning others.
2) The Water Board should consider directing Olin to prepare a detailed analysis of the "Treat All Wells" remedial alternative, in a future, properly prepared Cleanup Feasibility Study.

² The District's letter cited the reference, *In Situ Remediation Engineering*, Suthan Suthersan and Fred C. Payne, CRC Press, 2004.

#6 The CFS Report neglects to account for agricultural pumping in the feasibility analysis (Chapter 7). While the report elsewhere mentions that agricultural pumping is the greatest portion of all pumping, for the feasibility analysis, the report states:

"The current volume extracted from all supply wells in the Llagas Subbasin is approximately 20,000 AF."

This figure only accounts for domestic, municipal, and industrial pumping, and neglects agricultural pumping, which comprises at least an additional 20,000 acre-feet.

#7 In its statements summarizing concentration trends in wells, Olin has neglected to account for how much plume area each monitored well represents. The premise for "Monitored Attenuation" is that perchlorate concentrations appear to be decreasing in the majority of wells for which Olin has done a statistical analysis of trend. However, the majority of the plume area occupied by wells for which trend analysis can be completed does not have a decreasing trend.

Olin states the following in the CFS Report at page C-3:

6 wells have increasing or probably increasing perchlorate concentration trends
95 wells have decreasing or probably decreasing perchlorate concentration trends
201 wells have either no trend or are stable.

A review of the map reveals that counting a group of wells that are spaced close together and apparently decreasing should not carry the same weight as wells spaced further apart. If the data are "declustered", a different picture emerges (see Figure below.) In the declustered data for the Second Quarter Monitoring Report, the majority of wells have stable trends or no discernible trends, as was found by counting the raw data. However, when accounting for area, perchlorate concentrations in approximately 13% of wells in the declustered data are decreasing, while concentrations in approximately 15 % of the wells in the declustered data are increasing

For illustration purposes, the Figure below presents a simplistic method to decluster the data using Thiessen Polygons.³ This allows viewing the trends by the number of acres represented by each well for which trend analysis was executed by Olin.

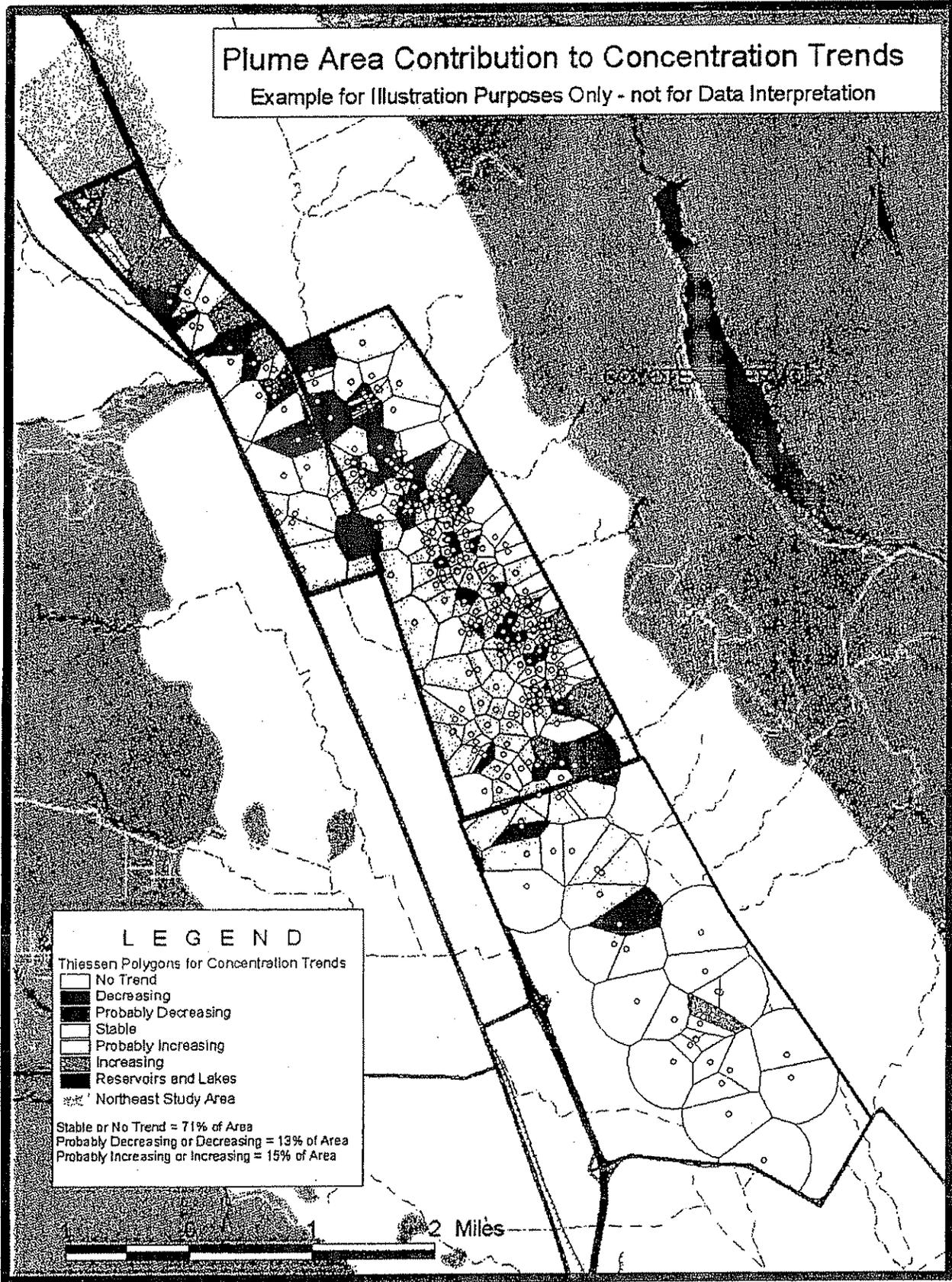
This example does not account for variations in depth, pumping, concentration range, or statistical features; nor does it present an error-free or complete analysis. However, this alternative way to view the trends suggests that Olin's practice of counting wells without consideration of area may introduces a significant bias.

Recommendation: The Water Board should consider directing Olin to present the concentration trend data for purposes of plume analysis in a manner that accounts for the effects of data clustering.

³ A Thiessen or Voronoi polygon is formed by drawing a line from a well to each surrounding well. The midpoints of the lines are found and lines perpendicular to those lines are drawn at their midpoints and extended until they intersect the perpendicular to the adjacent line. In this rough example, areas may be exaggerated by clipping to the Area I, II, III and IV boxes or a fixed distance buffer zone around the wells with available trends. This example should not be used for data interpretation – it is for illustration purposes only.

Plume Area Contribution to Concentration Trends

Example for Illustration Purposes Only - not for Data Interpretation



LEGEND

Thiessen Polygons for Concentration Trends

- No Trend
- Decreasing
- Probably Decreasing
- Stable
- Probably Increasing
- Increasing
- Reservoirs and Lakes
- ⋯ Northeast Study Area

Stable or No Trend = 71% of Area
Probably Decreasing or Decreasing = 13% of Area
Probably Increasing or Increasing = 15% of Area



PETITION EXHIBIT 27

California Regional Water Quality Control Board Central Coast Region



Linda S. Adams
Secretary for
Environmental
Protection

Internet Address: <http://www.waterboards.ca.gov/centralcoast>
895 Acrovista Place, Suite 101, San Luis Obispo, California 93401
Phone (805) 549-3147 • FAX (805) 543-0397



Arnold Schwarzenegger
Governor

F
Miles
MACB

March 29, 2007

Mr. Curt Richards
Olin Corporation
Environmental Remediation Group
P.O. Box 248
Charleston, TN 37310-0248

Dear Mr. Richards:

SITE CLEANUP PROGRAM: 425 TENNANT AVENUE, MORGAN HILL; REVISED CLEANUP FEASIBILITY STUDY REPORT, AREA I PLUME MIGRATION CONTROL FEASIBILITY STUDY, AND AREA I PLUME MIGRATION CONTROL WORK PLAN

Central Coast Regional Water Quality Control Board (Central Coast Water Board) staff has reviewed the following three technical reports:

- December 6, 2006 *Llagas Subbasin Cleanup Feasibility Study – Revised, Olin/Standard Fusee Site, 425 Tennant Avenue, Morgan Hill, California* (Revised Cleanup FS Report).
- December 6, 2006 *Area I Plume Migration Control Feasibility Study, Olin/Standard Fusee Site, 425 Tennant Avenue, Morgan Hill, California* (Area I FS Report).
- December 6, 2006 *Area I Plume Migration Control Work Plan, Olin/Standard Fusee Site, 425 Tennant Avenue, Morgan Hill, California* (Area I Work Plan).

The Revised Cleanup FS Report was prepared by MACTEC Engineering and Consulting, Inc.; the Area I FS Report and Area I Work Plan were prepared by GeoSyntec Consultants. The purpose of these reports is to analyze alternatives for long-term, Llagas Subbasin-wide cleanup of groundwater degraded by perchlorate released at the Olin Corporation site. The three reports were submitted on behalf of Olin and in accordance with Directives J, F, and G, respectively, of Cleanup or Abatement Order No. R3-2005-0014 (Cleanup Order No. 0014) issued on March 10, 2005. Today's letter provides the Central Coast Water Board's comprehensive review and comments related to these three technical reports.

Olin originally submitted the Llagas Subbasin Cleanup Feasibility Study (Cleanup FS Report) to the Central Coast Water Board on June 30, 2006. Although the Central Coast Water Board conceptually agreed with Olin's proposed cleanup strategy, we required Olin to fully evaluate how the strategy complied with State Water Resources Control Board Resolution No. 92-49. Central Coast Water Board staff also required Olin to revise the original Cleanup FS Report to include additional supporting information regarding proposed remedial alternatives. Additionally, Central Coast Water Board staff required Olin to expedite active remediation in the highest concentration areas (Area I) by completing an Area I FS Report (Directive F) and to prepare an Area I Work Plan (Directive G).

California Environmental Protection Agency

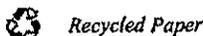


EXHIBIT 27

The Revised Cleanup FS Report describes objectives for groundwater quality restoration within the Llagas Subbasin and recommends a phased remediation approach to achieve these objectives. The phased remediation approach begins with hydraulic control and remediation of the highest perchlorate concentration areas. It also evaluates the need for additional active remediation in lower perchlorate concentration areas. In the Revised Cleanup FS Report, Olin describes three 'Priority Zones' (Priority Zones A, B, and C). The three proposed Priority Zones are based on site-specific considerations including the extent, perchlorate concentration, and the efficacy of implementing a groundwater cleanup strategy that will achieve water quality objectives within a reasonable timeframe. Priority Zone A is referred to as the "plume core" and is defined as the area where groundwater contains perchlorate concentrations above 24.5 micrograms per liter ($\mu\text{g/L}$), USEPA's preliminary remediation goal (PRG). Priority Zone B is defined as the area where groundwater contains perchlorate at concentrations between 24.5 and 11.0 $\mu\text{g/L}$, and Priority Zone C is defined as the area where groundwater contains perchlorate at concentrations between 11.0 and 6.0 $\mu\text{g/L}$.

In Olin's March 3, 2006 *Plume Migration Control Assessment Report for the Llagas Subbasin, Former Olin/Standard Fusee Site, Santa Clara County, California* (Assessment Report), the distribution of perchlorate in groundwater was evaluated using four assessment areas (Areas I, II, III, and IV). Areas 1 through IV were defined based on current and historical perchlorate concentrations, number of occurrences, and frequency of detections above the California Office of Environmental Health Hazard Assessment (OEHHA) public health goal (PHG). The assessment areas are referenced in the Revised Cleanup FS Report to facilitate discussion of the Llagas Subbasin; however, remedial alternatives are evaluated using Priority Zones that are defined independently of the four assessment areas.

To avoid duplicative analysis, the plume core cleanup (the area of highest perchlorate concentrations in groundwater, located entirely within Assessment Area I) is specifically addressed in the Area I FS Report and Area I Work Plan. The Revised Cleanup FS Report addresses perchlorate cleanup in groundwater outside the plume core.

In general, the Revised Cleanup FS Report adequately addresses most Central Coast Water Board comments outlined in our October 6, 2006 letter in response to the original Cleanup FS Report. However, Olin has not yet proposed a background concentration for perchlorate within the Llagas Subbasin. We remain confident that as new data become available from continued investigative efforts by Olin, the Central Coast Water Board, and the Santa Clara Valley Water District (Water District) a background concentration of perchlorate for Llagas Subbasin groundwater will be determined. Further, Olin has not adequately substantiated its contention that cleanup of the Llagas Subbasin to a level below the established PHG of 6.0 $\mu\text{g/L}$ is not achievable. As such, Olin must complete ongoing characterization activities and perform additional evaluations of the phased remediation approach (as it is implemented) south of the site to determine the feasibility of cleaning up the basin to background concentrations. In addition, Olin must evaluate the efficacy of the phased remediation approach by establishing an Executive Officer-approved Remediation Contingency Plan and Performance Monitoring Program for all affected aquifer zones within all assessment areas.

Central Coast Water Board staff's technical review of the above-mentioned reports considers written comments provided by WorleyParsons-Komex (WPK) on behalf of the City of Morgan Hill, Hatch & Parent on behalf of the City of Morgan Hill, the Water District, and the Perchlorate Community Action Group (PCAG). We concur with several comments received and have incorporated them into our comments. We have enclosed copies of the comments received for your reference.

The Central Coast Water Board shares the Water District and PCAG's opinion that it is time to move ahead with groundwater cleanup. Economic considerations, such as a completed Treated Groundwater Recharge/Re-injection (TGRR) application with the Water District, should not delay the schedule. Olin must implement active remediation within the highest concentration areas expeditiously. It is our position that agreement on the actual background and groundwater cleanup level for perchlorate in groundwater is not critical at this time. The background and cleanup level questions will be resolved as more data become available and concurrent with interim remediation. The most important aspect of this cleanup case is to ensure that active remediation of the Llagas Subbasin begins.

As such, Central Coast Water Board hereby concurs with Olin's Area I FS Report and Area I Work Plan for immediate implementation. Further, we hereby concur with Olin's proposed phased remediation strategy, as outlined in the Revised Cleanup FS Report, provided Olin meets the following conditions:

1. In accordance with Directive H of Cleanup Order No. 0014, Olin must begin implementation of the Plume Migration Control Work Plan and provide an Area I Well Installation Work Plan by **April 30, 2007**.
2. In accordance with Directive K of Cleanup Order No. 0014, Olin must prepare and provide an additional Cleanup Work Plan acceptable to the Executive Officer that details implementation plans for the selected and approved remedial alternative(s). Olin must provide the Cleanup Work Plan by **May 15, 2007**. The Llagas Subbasin Cleanup Work Plan shall, at a minimum, include the following elements:
 - a) A detailed implementation plan for the selected remedial alternative(s). The implementation plan must address all aspects of remediation (e.g., schedules, monitoring, evaluation strategy, etc.) within all assessment areas (I, II, III, and IV).
 - b) An updated time schedule for implementation, which must include a schedule for the restoration of beneficial uses (i.e., compliance with water quality objectives) of all affected aquifer zones within all assessment areas. Please identify any critical path items (e.g., agency permits). Coordinated efforts may help expedite remedial action.
 - c) A Performance Monitoring Program. The Performance Monitoring Program's primary objective shall be to evaluate the performance and efficacy of the approved groundwater cleanup strategy within all assessment areas. Details concerning our expectations concerning the Performance Monitoring Program are discussed in **General Comment No. 3**, below.
 - d) A detailed Remediation Contingency Plan. The Remediation Contingency Plan shall establish specific criteria that Olin will use to evaluate the effectiveness of the overall remediation strategy. Beginning on **January 31, 2008**, the Remediation Contingency Plan must include yearly remediation progress updates concerning the effectiveness of the selected remedial alternative(s). The yearly updates must summarize the results of all the evaluations performed to date and include recommendations for system modification and or continued operation.
 - e) All other information deemed appropriate by Olin, or as specified by the Executive Officer in our concurrence with the Revised Cleanup FS Report and the two Area I reports.
3. Central Coast Water Board (or an appropriate designee) must review and evaluate MACTEC's nine-layer three-dimensional groundwater flow and mass transport model of the Llagas Subbasin.



Central Coast Water Board staff provides the following comments concerning the most significant elements of the Revised Cleanup FS Report, Area I FS Report, and Area I Work Plan.

GENERAL COMMENTS

1. **Background Concentration Determination** – Our comments concerning the original Cleanup FS Report specifically rejected Olin's contention that the background perchlorate concentration within the Llagas Subbasin is up to 4.0 µg/L. In our letter dated October 6, 2006, we indicated that unless Olin provides specific data to support a higher concentration, we must proceed with the premise that the background perchlorate concentration in groundwater is less than the method detection limit (MDL). We specifically suggested that while Olin waits for the results of the Water District's forensic chemistry study, Olin may develop a background perchlorate concentration in groundwater using the Title 27 methodology to demonstrate that the detectable concentrations of perchlorate in groundwater within the Llagas Subbasin are attributable to an anthropogenic source(s) other than Olin.

Based on our review of the Revised Cleanup FS Report, background perchlorate levels in the Llagas Subbasin have not been determined. Olin did not perform a background study in accordance with applicable Title 27 water quality monitoring requirements as we previously recommended. Instead, Olin will depend on the results of the Water District's forensic chemistry study to confirm that other perchlorate sources are contributing to the existing perchlorate groundwater impacts.

Olin did conduct additional perchlorate sampling and investigation in the area north of the Olin site and provided concentration data (between 2.0 µg/L and 4.6 µg/L) from several private water supply wells. The additional work performed was, in part, required by the Central Coast Water Board via issuance of a 13267 letter directing the implementation of additional characterization north of the site (July 24, 2006 letter titled, *First Quarter 2006 Groundwater Monitoring Report*). The City of Morgan Hill provided historical trace concentration data from all of its municipal water supply wells. The additional data confirm the presence of low levels of perchlorate throughout the area north of the site in municipal and private water supply wells located as far as three miles north of the site. Olin asserts that these new data suggest the presence of an anthropogenic source(s) other than Olin.

We agree that the new data provided support Olin's contention that detectable perchlorate concentrations in groundwater north and northeast of the Olin site may be attributable to other source(s). However, as stated in our response to the original Cleanup FS Report, "Resolution No. 92-49 requires that all cleanup or abatement actions conform to the provisions of State Water Board Resolution No. 68-16 (Anti-Degradation Policy) and to applicable provisions of Title 27 or Title 23, Chapter 15, California Code of Regulations. In accordance with Resolution No. 92-49 and Cleanup Order No. 0014, the background concentration of perchlorate in groundwater within the Llagas Subbasin is the level of perchlorate that would exist in groundwater without regard to any discharges from the former Olin site."¹

¹ In the case of commingled plumes from multiple dischargers, background is determined without regard to the commingled discharges.

While the Revised Cleanup FS Report provides supporting evidence to substantiate Olin's assertion that other source(s) may exist and that the background perchlorate concentration in groundwater northeast of the site may be higher than the MDL, the origin, extent, and degree of contribution of the recent perchlorate detections remain uncertain. We agree that the new data might support Olin's contention; however, with the exception of these recent findings, Olin has not confirmed any viable contributors of long-term perchlorate concentrations to the entire Llagas Subbasin. Therefore, until Olin substantiates the assertion that a measurable level of perchlorate exists within the entire Llagas Subbasin, we must continue to assume that the background perchlorate level in groundwater (for the majority of the Llagas Subbasin) is less than the MDL. As previously stated, considering the large size of the plume and the Llagas Subbasin, the background perchlorate concentration may be higher in localized areas, such as areas of higher agricultural use and areas where other sources may be confirmed contributors. Again, Olin may choose to characterize background concentrations of perchlorate for sub-areas of the Llagas Subbasin. As indicated in our response to the original Cleanup FS Report, Olin must use the Title 27 methodology to calculate the background concentration for perchlorate.

It is our position that it is not productive to spend any additional time debating the background concentration at this time. Such debates only serve to delay implementation of active remediation of the most contaminated portions of the Llagas Subbasin. Implementation of active remediation must proceed immediately.

2. **Cleanup Level Determination** – In our October 6, 2006 response to the original Cleanup FS Report, Central Coast Water Board indicated that Olin's proposed cleanup level of 6.0 µg/L (OEHHA's PHG) is inconsistent with the State Water Board's anti-degradation policy (Resolution No. 68-16). Central Coast Water Board also indicated that Olin did not appropriately evaluate the feasibility of attaining background concentrations pursuant to State Water Board's Resolution No. 92-49 and required Olin to reevaluate the overall basis for proposing an alternative concentration greater than background as a cleanup level for perchlorate in groundwater.

The Revised Cleanup FS Report provides a more thorough evaluation, analysis and justification for proposing a Cleanup Level for perchlorate in groundwater. However, Olin's proposed Cleanup Level for the Llagas Subbasin (6.0 µg/L) remains inconsistent with the State Water Board's anti-degradation policy and Resolution No. 92-49. Olin's approach and proposed cleanup level are also inconsistent with the Central Coast Water Board's goals to protect groundwater as a resource and to restore degraded water quality. In accordance with Resolution No. 92-49 (Section III.G), cleanup shall be conducted in a manner that promotes attainment of background water quality. If background levels of water quality cannot be restored, water quality must be restored to the best water quality, which is reasonable, considering all demands being made on those waters and the total values involved, beneficial and detrimental, economic and social, tangible and intangible. While the Revised Cleanup FS Report substantiates Olin's proposed Cleanup Level from a human health perspective, it does not provide conclusive substantiation that it is not feasible to achieve an alternative concentration below the PHG.

As discussed in our comments concerning the original Cleanup FS Report, to comply with Resolution No. 92-49, the cleanup level of perchlorate-impacted groundwater in the Llagas Subbasin must be between the background concentration and the applicable water quality objective specified in the Central Coast Region Basin Plan. The Basin Plan does not include specific water quality objectives for perchlorate, and neither the state nor federal



governments have established a Maximum Contaminant Level for perchlorate; the PHG (6.0 µg/L) is the least stringent level necessary to protect the municipal and domestic supply (MUN) beneficial use, and is therefore currently considered the maximum allowable cleanup level. Further, until a background concentration for perchlorate is established, we must assume that the background concentration could be as low as the MDL (~2.0 µg/L). Therefore, in accordance with Resolution No. 92-49, the groundwater cleanup level for perchlorate is between 2.0 and 6.0 µg/L.

Central Coast Water Board staff believes it is premature to be able to know with certainty whether it will be feasible to clean up perchlorate impacted groundwater in a reasonable time within each individual aquifer zone to levels below the PHG. At this time, many uncertainties exist with respect to the effectiveness, expediency, and efficiency of the selected groundwater remedial strategy. Considering all of these unknowns and uncertainties, it is not prudent at this time to establish a cleanup level.

As additional data are collected and evaluated, including data associated with the Water District's forensic chemistry study (for background determination purposes) and ongoing performance monitoring data, and as the parties thoroughly evaluate of the efficacy of the selected remediation strategy, the appropriateness of establishing an alternative cleanup level greater than background will be reevaluated. Further discussions and evaluation of establishing an appropriate cleanup level must take place concurrent with implementation of the phased groundwater remediation strategy proposed by Olin.

Central Coast Water Board staff does not concur with Olin's proposed cleanup level. We do, however, concur with Olin's proposed groundwater remediation approach. For now, Olin is required to proceed with groundwater remediation with the primary cleanup objective (goal) of achieving the background concentration² within each individual aquifer zone and throughout all affected portions of the Llagas Subbasin. Since Olin must at least achieve the maximum allowable cleanup level (6.0 µg/L), it is appropriate to use the maximum cleanup level as an interim groundwater cleanup goal. As groundwater cleanup proceeds, Olin must reevaluate the feasibility of achieving the primary cleanup goal (assuming that a background concentration has been established) or may reevaluate the feasibility of achieving an alternative groundwater cleanup level.

- 3. Overall Cleanup Strategy** – Olin proposes a phased cleanup approach for perchlorate-impacted groundwater within the Llagas Subbasin. The phased cleanup approach begins with the area of highest concentration (plume core) and evaluates the need for additional active remediation in areas of lower concentrations. Implementation of the phased approach includes hydraulic containment and treatment of groundwater in the plume core coupled with monitored attenuation in downgradient areas. According to the Revised Cleanup FS Report, Olin anticipates it will achieve cleanup to at least the PHG (6 µg/L) within five years in the shallow aquifer, 12 years in the intermediate aquifer, and 24 years in the deep aquifer. We understand that ongoing perchlorate characterization activities, particularly in the deep aquifer, may provide additional data that will allow reassessment of these projections. According to the Revised Cleanup FS Report, the attenuation of perchlorate in groundwater downgradient of the plume core will be regularly monitored using

² If the implemented cleanup technology proves unsuccessful in achieving background in a technically and economically feasible manner, the Water Board may adjust cleanup goals at a later stage of the cleanup.

the Monitoring Network Plan and a contingency remedy will be enacted if concentrations do not decline as anticipated.

Central Coast Water Board conditionally approves implementation of Olin's proposed phased groundwater remediation approach. Our approval is based on the information presented in the Revised Cleanup FS Report, information presented during a February 27-28, 2007 meeting with Olin staff and consultants (MACTEC and GeoSyntec), and other technical documents recently received. We believe that if properly implemented, monitored attenuation in conjunction with plume containment may achieve the current cleanup goals. Our approval is conditional because our evaluation of the long-term effectiveness of monitored attenuation and the predicted timeframes estimated for groundwater cleanup to the PHG are not complete. After our review and evaluation of perchlorate concentration trends as presented in Olin's Fourth Quarter 2006 Monitoring Report, we are concerned that Olin's reliance on dilution and dispersion as the dominant mechanisms for the monitored attenuation option may be overly optimistic.

Therefore, due to the level of uncertainty associated with the remedial timeframes of the monitored attenuation remedial option, we must review and evaluate the numerical groundwater flow and mass transport model that is used to simulate the perchlorate distribution, predict the decreases in perchlorate concentrations over time, and evaluate the need for additional characterization activities within certain areas of the subbasin, particularly in the deep aquifer zone. Further, Olin shall prepare and provide a Performance Monitoring Program and a detailed Remedial Contingency Plan in accordance with Directive K.4 of Cleanup Order No. 0014.

The Performance Monitoring Program shall: (1) evaluate whether the monitored attenuation remedy option is performing as expected and is capable of attaining the remediation objectives within the anticipated (reasonable) timeframes; (2) incorporate an adequate monitoring strategy and schedule to determine the lateral and vertical effectiveness in cleaning up groundwater by the selected cleanup alternative; (3) identify and propose the installation of an adequate number of compliance monitoring wells to ensure groundwater complies with cleanup goals throughout the affected area; (4) include a proposed schedule for providing progress reports on the implementation and monitoring of the selected remedial alternative(s); and (5) outline specific monitoring parameters and methods that Olin will use to determine the effectiveness of the monitored attenuation option.

The Remedial Contingency Plan shall: (1) include a specific contingency remedy, which includes a cleanup technology or approach that will function as a backup remedy in the event that the selected remedial strategy fails to perform as anticipated and modeled. A contingency remedy may specify a technology that is different, or simply call for modification of the selected remedy, if needed; (2) establish specific criteria (e.g., monitoring parameters and methods, etc.) that Olin will use to evaluate and determine the effectiveness of the overall remediation strategy; (3) provide specific benchmarks for evaluating and making decisions on modifications to the approved remedial alternatives; and (4) include yearly updates (beginning on January 31, 2008) concerning the effectiveness of the selected remedial alternative(s). The yearly updates must summarize the results of all evaluations performed to date and include recommendations for system modification and or continued implementation. The updates must also indicate whether the selected remedy is as effective as anticipated and modeled.



Further, as suggested in our response to the original Cleanup FS Report, Olin must implement the proposed monitored attenuation portion of the remedial strategy in strict accordance with USEPA's guidance document³ concerning the use of monitored attenuation at groundwater cleanup sites. Olin must continuously evaluate and demonstrate that the selected cleanup approach (monitored attenuation in conjunction with hydraulic control measures) will effectively achieve remediation objectives within a timeframe that is reasonable compared to that offered by other methods.

SPECIFIC COMMENTS

1. **Section 3.6, Perchlorate Distribution:** This section indicates that Olin has not yet completed delineation of the lateral and vertical extent of perchlorate in the deep aquifer and characterization of perchlorate within this aquifer is ongoing.

We agree that continued plume characterization is necessary and appropriate to fully characterize the extent and degree of groundwater impacts within the highest concentration area (Area I), particularly with the deep aquifer zone. It is our position that groundwater cleanup is an ongoing process that will require reevaluation and adjustments over time. We understand that implementation of the groundwater pump and treat system will require completion of numerous tasks (system design, approvals, access agreements and construction) before implementation can occur. Nonetheless, as explained herein, we believe there are sufficient data to design a remediation system for the known plume while characterization activities are ongoing. Olin shall complete any additional characterization activities within the deep aquifer zone that may expand the remediation system for cleanup of Priority Zone A.

A detailed discussion concerning the observed data gaps within the deep aquifer zone and our requirements for additional characterization are included as part of our specific comments concerning the Area I FS Report and Area I Work Plan, below. We intend to address the need for additional characterization activities and observed data gaps in our response to Olin's 2006 Characterization Report.

2. **Section 3.7, Monitored Attenuation Processes:** This section indicates that ambient groundwater conditions within the Llagas Subbasin are oxidizing to depths of at least 450 feet. Olin has collected limited data from groundwater below 450 feet; however, the data collected at these depths indicate that anoxic (reducing) conditions are present. Olin postulates that the anoxic conditions may result in denitrification that could explain the absence of elevated nitrate concentrations at these depths. According to Olin, these data support the assumption that groundwater conditions below 450 feet within the Llagas Subbasin are conducive to perchlorate reduction. While this explanation sounds plausible, Olin must confirm such conditions (biodegradation of perchlorate) by providing additional data. The assumption that reducing conditions exist at depths below 450 feet is based on limited data. As noted above, there are only a few depth-discrete groundwater-monitoring wells screened within the deep aquifer zone and to our knowledge, Olin based its determination on data from a limited number of wells located in the southern portion of the plume.

³ United States Environmental Protection Agency, OSWER Directive Initiation Request, "Use of Monitored Natural Attenuation at Superfund, RCRA Corrective Action, and Underground Storage Tank Sites," April 21, 1999.

Considering that the Llagas Subbasin and Olin's perchlorate plume extent are extremely large, denitrification may exist in the southern portion of the basin may not exist in other areas. As you know, nitrate and perchlorate concentrations are detected at relatively high concentrations throughout other areas in the deep aquifer zone and at relatively high concentrations. These findings suggest that reducing conditions may not be occurring to the same extent in all areas of the deep aquifer zone. Olin must continue to evaluate denitrification as it installs additional deep wells and performs sampling to confirm that reducing conditions exist in other areas of the plume.

3. **Section 3.9, Groundwater Flow and Transport Modeling:** This section indicates that MACTEC has constructed a nine-layer, three-dimensional groundwater flow and mass transport model of the Llagas Subbasin as part of the Revised Cleanup FS. Olin used the groundwater flow and transport model to evaluate various remediation alternatives including capture zones, groundwater extraction rates, and cleanup times.

Olin used simulated concentrations versus time from the groundwater flow and transport model to calculate the projections of cleanup time for remediation within all of the Priority Zones. These simulated time projections and corresponding concentration decreases are based on data collected from a small number of groundwater monitoring wells.

As we discussed with Olin and its consultants at the February 27-28, 2007 meeting, it is clear that Olin intends to use the flow and transport model primarily as a tool to help in the evaluation of the remediation alternatives. We understand Olin will base all final decisions concerning the appropriate remediation strategy, groundwater extraction rates, and capture zones on confirmatory field data that it collects as it implements the selected remedy. Olin intends to use the modeling results as a guide to initiate the required groundwater remediation activities. Once the remediation systems are in place, Olin must use field data to confirm the results of the model (i.e., extraction rates, capture zones, and cleanup times).

Central Coast Water Board staff is unable to properly review and evaluate the results of the model used because we do not have a qualified and experienced numerical modeler on staff. Therefore, as discussed, we intend to hire an independent third party consultant to review and evaluate the results of the groundwater flow and transport model used to ensure that all input parameters (e.g., boundary conditions, assumptions, etc.) and model output are reasonable and appropriate. At this time, Central Coast Water Board staff is actively seeking the services of a third party consultant to aid in the review and evaluation of MACTEC's groundwater flow and transport model. Olin will be billed for these services pursuant to Directive P of Cleanup Order No. 0014. As soon as we select a third party consultant, we will contact you and your consultants to coordinate full review and evaluation.

Additionally, to better evaluate the projected cleanup of the perchlorate plume, we require that the Work Plan for implementing the approved remedial strategy (Cleanup Work Plan) include a series of plume maps showing snapshot times (e.g. 2, 5, 10, 15, 20 years) of the overall progress. The plume maps will help us better visualize the projected or the anticipated decreases in perchlorate concentrations for each of the remedial alternatives within each aquifer zone.

4. **Section 4.2, Technical and Economic Factors:** This section indicates that the costs to hydraulically contain groundwater with perchlorate exceeding the hypothetical background concentration are expected to approach \$295,000,000, in addition to the cost to



hydraulically contain groundwater in Priority Zone A. Based on these cost estimates, Olin asserts that it is economically more feasible to implement an MA approach.

Implementing an active groundwater cleanup strategy for areas other than the plume core may be feasible in certain portions of the basin (i.e., cleanup to a level above the hypothetical background concentration). We acknowledge that the objective of the proposed phased cleanup approach is to target the higher concentration areas and adjust the system as additional data is collected. As mentioned above, the phased approach is acceptable with the understanding that Olin is required to prepare a specific Remediation Contingency Plan. The required contingency plan must specify all criteria that Olin will use to determine adjustments to the overall groundwater remediation strategy in all affected portions of the Llagas Subbasin.

5. **Section 4.3, Nine Site-Specific Factors in Resolution No. 92-49:** Throughout this section of the report, Olin repeatedly seeks to justify or rationalize that groundwater cleanup to levels below the PHG are unnecessary and inappropriate. Specifically, Olin states, "...remediating groundwater with perchlorate concentrations greater than 2.0 µg/L provides no incremental benefit to beneficial uses and groundwater quality relative to the PHG." Further, "...approving an alternative cleanup level above background at a concentration consistent with the PHG and proposed MCL would be protective of human health under current and future groundwater uses and would not adversely affect groundwater quality and beneficial uses." Strictly from a human health perspective, we agree that incremental benefit of cleanup *relative* to the PHG may not be considered significant.

However, the Central Coast Water Board is responsible to protect water quality as a resource. A primary objective is water quality protection. As such, we consider the incremental benefit of cleanup *relative* to the quality of water that existed prior to Olin's discharge as significant. The PHG or MCL are not benchmarks for impermissible degradation. Strictly from a water quality perspective, anything above the naturally occurring conditions constitutes degradation of water quality.

6. **Section 4.5, Cleanup Levels at Other Sites in California:** This section states that the cleanup level that is established for the Olin site must be consistent with comparable cases. Olin suggests that since the PHG has been established as the groundwater cleanup level at other sites throughout California, the cleanup level that is established for the Olin site also must be the PHG. This section specifically references the cleanup levels at the United Technologies Corporation (UTC) site, and suggests that the cleanup level for the Olin site must be identical to the cleanup level established at the UTC site.

Central Coast Water Board staff specifically reviewed San Francisco Bay Water Board Order No. R2-2004-0032 for the UTC site and discussed the cleanup level requirements with San Francisco Bay Water Board staff. Based on our review, we note that Order No. R2-2004-0032 specifies a cleanup level of 6.0 µg/L (PHG) for onsite water (both groundwater and surface water); however, the same order also specified the following prohibition:

"Specifically, no detectable concentration of contaminants shall be allowed in surface waters or underflow at or beyond the property boundary..."

We believe it is inappropriate to expect that the same standards be applied to the Olin and UTC cleanup. The Olin site is small and situated in the middle of a populated area, and has



already degraded water quality in the Llagas Subbasin that serves thousands of people with drinking water. The fact that the plume associated with the Olin site is not yet controlled, has migrated nearly 10 miles from the site, and has affected hundreds of private water supply wells and several municipal water supply wells, make the groundwater contamination associated with the Olin site unique. This is not the same situation as exists at the UTC site. While the UTC site boundary is much larger than the Olin site, it is a very remote area and is largely undeveloped. According to San Francisco Bay Water Board staff, the groundwater plume associated with the UTC site is controlled and contained on the UTC site and has not affected off-site water supply wells.

As stated in Comment No. 14 of our response to the original Cleanup FS Report, just because another site has an established cleanup level of 6.0 µg/L does not mean that the same cleanup level is appropriate for the Olin site. Cleanup levels are site-specific, based on many considerations including, but not limited to the following factors:

- Existing and potential beneficial uses,
- Hydrogeologic conditions,
- Extent and degree of impact,
- Water quality objectives,
- Impacts to municipal and domestic water supply wells, and
- Economic and technologic feasibility of attaining background levels.

7. **Section 6.3.5, Disposition of Treated Water:** This section indicates that Olin is considering several water disposal methods. The three preferred disposition alternatives are: (1) supply to local City or water purveyor for use as drinking water source or to other interested parties for non-potable use; (2) re-injection via injection wells; and (3) re-infiltration via recharge ponds or other methods.

We understand that Olin has not yet selected the final disposition method(s) because all of the necessary administrative arrangements and agreements have not been completed with all parties involved. The final selection must be made so cleanup implementation can move forward quickly. All potential disposition options require substantial cooperation and coordination between Olin, the City of Morgan Hill, the Water District, and other agencies (County, Department of Health Services (DHS)). We have discussed the disposition options with City of Morgan Hill and Water District staff, and find that both agencies consider the disposition options feasible.

We understand the City of Morgan Hill currently has a need and capacity to take all water that Olin may extract from the aquifers. This option would probably be the easiest to implement, as permitting would be limited to the City of Morgan Hill, the County, and the DHS. However, depending on restrictions imposed by DHS, the City of Morgan Hill may not be able to accept all extracted groundwater and Olin may need to utilize a second disposition option. It is our understanding that this option may also involve CEQA review.

As discussed in the attached comments, the Water District supports Olin's efforts to seek re-injection via injection wells and or re-infiltration of treated water via carefully selected recharge ponds. As the Water District indicated, "...the primary purpose of the Water District's recharge operations is to sustain the subbasin in an optimal storage condition; any perchlorate attenuation benefits realized are incidental. The timing and location of recharge operations is a key consideration for determining the effectiveness of active operations to lowering perchlorate concentrations in wells. A focused recharge program, developed for



the intended purpose of reducing perchlorate concentrations could be an effective strategy to accelerate and manage Monitored Attenuation.”

We understand the recharge options require permitting issues administered by the Central Coast Water Board and the Water District's TGGR application process. To expedite project implementation, all necessary Central Coast Water Board permitting issues will be resolved during the design and construction phase. Based on recent discussion with Water District staff and the Water District's attached comments, we understand the Water District would entertain discussion with Olin regarding opportunities for collaboration on a program of focused recharge to accelerate the effectiveness of the monitored attenuation strategy. We strongly encourage Olin to engage in discussion with the Water District and seriously consider this alternative.

Central Coast Water Board supports Olin's efforts to select a disposition method or methods in an expeditious manner and is available to help expedite any agreements, permitting, and administrative issues that could potentially delay implementation of required remediation activities. From a groundwater remediation perspective, we encourage you to consider the possibility of a focused recharge program, as suggested by the Water District.

8. **Section 7.0 Development and Selection of Remedial Alternatives:** Based on review of the ranking criteria used when evaluating and comparing the various alternatives, we noticed several inconsistencies in the analysis and scoring criteria for Priority Zones B and C. First, the scoring for each of the alternatives and the comparisons is subjective. Similarly to WorleyParsons-Komex, Central Coast Water Board staff reviewed Table 7.1 and Table 7.2 and re-scored the criteria and alternatives. Based on our own revised scoring, the revised scoring shows that Alternative 3 (Groundwater Extraction/Treatment) ranks higher than Alternative 2 (MA) for both Priority Zones B and C. At this time, Olin is not required to take any action due to the revised scoring. The point we want to make is that because of the subjective nature of the scoring criteria, different outcomes are possible. Central Coast Water Board discussed this issue at length with Olin staff and its consultants during our February 27-28, 2007 meeting. Currently, our primary objective is to ensure implementation of the selected remediation approach without unnecessary delays. Ongoing evaluation of the remediation activities will dictate the need for modifications, including the need for a more aggressive approach.

Section 7.0 also indicates that the Central Coast Water Board, in our October 6, 2006 *Plume Migration Control Assessment* letter, acknowledged that hydraulic containment of perchlorate in Assessment Areas II and III may not be necessary. The section implies that plume containment equates to remediation. Our October 6, 2006 letter acknowledged that hydraulic control may not be needed in areas of lower perchlorate concentrations. However, at no time did we intend to imply that groundwater cleanup would not be required. As discussed herein, implementation of hydraulic control measures are most effective and appropriate in area of high concentrations. We believe the plume core (Area I) is the most appropriate location for hydraulic control. However, in accordance with Central Coast Water Board cleanup requirements, Olin is required to implement basin-wide groundwater cleanup. Please refer to **General Comment Nos. 1 and 2**, above.

9. **Cleanup Costs** - Remediation costs presented in Appendix D were not estimated in a manner consistent with guidance published by the United States Environmental Protection Agency (USEPA 2000). USEPA has a published guidance document titled, "A Guide to Developing and Documenting Cost Estimates During the Feasibility Study." The document



was published in July 2000 and presents USEPA policy on use of a discount rate for net present value (NPV) calculations. The NPV discount rate recommended by the USEPA is 7 percent, which has been adjusted to eliminate the effect of expected inflation. The FS Report uses an escalation rate of 3 percent and a NPV discount rate of 5 percent. As a result, the cost using the USEPA protocol is significantly lower than those calculated in the FS Report. For instance, the FS Report estimates a cost of \$43.7M for Priority Zone B, Alternative 3, Ex-Situ. Using the USEPA protocol, the cost for this alternative would be \$26.9M or \$16.8M lower than the estimated cost using Olin's calculations.

Based on our discussions with your consultants, it appears that the estimated costs associated with each of the alternatives evaluated are based in large part on prior experience and actual cost data from prior projects. Their explanation is important and helped us understand the rationale for the differences in the cost estimates presented. However, the revised Cleanup FS Report does not discuss the actual cost data used. Therefore, you are required to re-calculate the estimated costs associated with each alternative considered using the USEPA Guidance Document referenced above, and explain any deviation from USEPA Guidance. Alternatively, if Olin used other guidance that may be more appropriately suited for of the cost evaluation, you must provide adequate justification for the alternate guidance used. We require this new information to help us determine the economic feasibility of implementing some of the discounted remedial alternatives. As part of the requested re-evaluation, please address WorleyParsons-Komex's comments on page 8, Items 2(l), (m), (n), (o), and (p) of the attached letter. Please address this as an addendum to the Cleanup Work Plan required on page 3 of this letter.

10. **Area I FS Report:** As explained herein, the Area I FS Report was prepared to evaluate and screen plume migration control and remediation alternatives for perchlorate-impacted groundwater (horizontally and vertically) for Priority Zone A (the plume core). As defined in the Revised Cleanup FS Report, Priority Zone A is fully located within geographical Area I of the Llagas Subbasin.

Olin concludes that a remedial alternative that includes hydraulic containment is appropriate for Priority Zone A. Olin proposes to use four groundwater extraction wells/clusters to contain perchlorate concentrations greater than 24.5 µg/L in the shallow, intermediate, and deep aquifers. An estimated combined pumping rate of between 300 to 400 gallons per minute (gpm) is predicted to be capable of hydraulically containing migration of the perchlorate plume core in Area I. Olin determined that treatment of the extracted groundwater by ion exchange (IX), ex-situ biological reduction (ESB) or in-situ bioremediation (ISB) would be suitable for the site.

The plume core in the shallow aquifer is reported as a small area located on the site and a separate area that extends south from the site for a distance of approximately 700 feet to a point upgradient of Fisher Avenue. The existing on-site groundwater extraction and treatment system (GWTS) is currently containing the on-site plume in the shallow aquifer. Olin anticipates that a one shallow aquifer extraction well pumping at a rate of approximately 50 gallons per minute (gpm) well would contain migration of the perchlorate plume core further south in the shallow aquifer.

In the intermediate aquifer, the distribution of the perchlorate plume core extends approximately 2,000 feet to the south of Maple Avenue. A cluster of two intermediate aquifer extraction wells pumping at a combined rate in the range of 200 to 300 gpm is predicted to prevent migration of the perchlorate plume core in this aquifer.



In the deep aquifer, a single extraction well pumping at 50 gpm is predicted to prevent migration of the perchlorate plume core located near Fisher Avenue. Additional data collection, through both continued quarterly groundwater monitoring and deep aquifer characterization activities, will assist in determining whether containment of perchlorate in the deep aquifer onsite is required. Olin intends to address any required modification of the deep aquifer hydraulic containment scenario during implementation of the Area I Work Plan. As discussed herein, you are required to complete further characterization of the deep aquifer zone. Please refer to our discussion concerning the need for additional characterization activities within the deep aquifer zone in **Comment No. 11.b.**, below.

The Area I FS Report indicates water disposition, by either on-site recharge to the shallow and intermediate aquifers or provision to a municipality or water purveyor for use as potable water supply, may be suitable. We agree with Olin's determination that the use of the treated water for municipal water supply represents a significant beneficial use of the groundwater resource, and that, it would be inappropriate at this time to reach a final remedial alternative determination that precludes proper evaluation and potential selection of this option. However, the Central Water Board considers the re-injection (via injection wells) and recharge (via percolation ponds) disposition options viable and acceptable. According to the Area I FS Report, Olin will recommend a final groundwater treatment option once it selects the final disposition option. Olin will then proceed to design and implement the selected remedy, as outlined in the Area I Work Plan.

As stated above, the overall objective of the approved groundwater cleanup strategy for the perchlorate-impacted areas of the Llagas Subbasin is groundwater cleanup with the goal of achieving background concentrations. Therefore, we must emphasize that while the primary objective of the Area I Plume Migration Control FS Report is plume containment (Hydraulic Control), groundwater remediation must be part of the plume containment strategy. Subsequent technical reports addressing the Area I remedy must clarify that the cleanup strategy within Area I includes hydraulic control and groundwater cleanup. As pointed out above (**General Comments Nos. 1 and 2**), until a background concentration and cleanup level are established, groundwater cleanup must proceed with the interim goal of achieving the PHG, and with the primary objective of attaining the background concentration or an alternative concentration greater than background that may be established as the cleanup level.

11. **AREA I WORK PLAN:** Directive G of the Cleanup Order No. 0014 requires submittal of a plume cutoff and remediation work plan (Area I Work Plan), within 60 days after Executive Officer approval of the Area I FS Report. Despite Cleanup Order No. 0014's timing, our Central Coast Water Board's October 6, 2006 *Llagas Subbasin Cleanup Feasibility Study* letter required Olin to expedite implementation of groundwater remediation activities in Area I by preparing and submitting the Area I Work Plan concurrent with submittal of the Area I FS Report.

This Area I Work Plan has been prepared to outline the approach and schedule to resolve the *uncertainties* associated with the potentially suitable water treatment and disposition options in a timely manner, so that a final Area I plume migration control alternative can be recommended, designed, and implemented. Olin's proposed report submittal schedule is outlined in Table 4-1, "Anticipated Schedule for Design, Implementation & Startup of Area I Plume Migration Control System." Following is a list of deliverables, followed by our specific comments and directives.



- a. **Anticipated Schedule for Design, Implementation and Startup of Area I Plume Migration Control System:** In general, we agree that the project schedule outlined is aggressive in its sequencing and implementation of tasks. It is our objective to expedite active remediation by minimizing any unnecessary delays. We are concerned with some administrative tasks that may unduly lengthen the overall project schedule. Following are specific comments and requirements concerning the project schedule.

- i. Area I Extraction Well Installation Work Plan – [anticipated submittal date is 30 days after Central Coast Water Board approval of Area I Work Plan]. This work plan will present the extraction well designs including construction details and material specification. The plan will also present final extraction well locations based on updated perchlorate plume cores incorporating data from ongoing characterization activities.

By April 30, 2007, Olin must provide for Executive Officer approval an Area I Extraction Well Installation Work Plan. Refer to page 3 of this letter.

- ii. Area I Plume Migration Control FS Addendum – [anticipated submittal date is eight months after Water Board approval of Area I Work Plan]. The addendum will include the following: (i) resolution and final selection of the final water treatment and disposition options, (ii) the conceptual design for the Area I system incorporating extraction rates based on well-yield testing of the extraction wells and any newly available results of ongoing characterization activities, and (iii) an updated schedule for design and implementation of the Area I system.

It is not acceptable to wait eight months to prepare and submit the Area I Plume Migration Control FS Addendum. The proposed submittal date (eight-month wait) is based on the length of time Olin anticipates it will require to resolve the administrative issues with the Water District (i.e., TGRR Application negotiation and enrollment). As addressed herein, Central Coast Water Board does not accept administrative and economic considerations, such as a completed TGRR agreement with the Water District, as reasons for delaying project implementation. As mentioned above, we encourage that Olin engage in discussion with the Water District to help expedite review of the TGRR application and negotiate and resolve any issues related to any of the recharge options selected.

Olin is hereby required to submit the Area I FS Addendum by five months after Central Coast Water Board approval of Area I Work Plan. Based on this revision, Olin is hereby required to adjust all subsequent report submittal dates.

- iii. 45%, 90% and 100% Engineering Design Packages for the Area I System – [Anticipated submittal dates for each of these design reports is 12, 16, and 19 months after Water Board approval of Area I Work Plan]. The 100% design package will include final versions of the following design items: (i) design report, (ii) technical specifications, (iii) design drawings, (iv) design calculations, (v) Functional Checkout Plan, (vi) System Start-up Plan, (vii) Performance Monitoring Plan, (viii) Contingency Plan, and (ix) supporting data (e.g., results of pilot test (if conducted), current water quality data, etc.).

Based on the submittal modification for the Area I FS Addendum, Olin is hereby required to adjust the submittal dates for the design reports to 9, 13, and 16 months

after Central Coast Water Board approval of the Area I Work Plan. As mentioned above, Central Coast Water Board supports Olin's efforts to implement groundwater cleanup and we are available to help expedite any agreements, permitting, and administrative issues that could potentially delay implementation of required remediation activities.

- iv. Commissioning and Startup Report for the Area I System – [anticipated submittal date is 30 months after Water Board approval of Area I Startup Work Plan]. This report will document the activities conducted during commissioning and startup of the Area I system. It will also include as-built drawings for the Area I system.

In accordance with the above schedule modifications, we anticipate the Area I GWTS Commissioning & Startup Report will be submitted three months ahead of the schedule outlined in Figure 4-1.

- b. **Delineation of Deep Aquifer Zone:** It is evident that Olin has not completed delineation of the plume core within the deep aquifer zone. We believe Olin must address the data gaps identified herein. It is prudent for Olin to conduct additional characterization activities within the deep aquifer zone. As the Revised Cleanup FS Report specifically addresses, the extent of groundwater conditions within the deep aquifer zone are not complete and Olin intends to proceed with additional characterization activities.

The deep aquifer zone must be delineated. We find that data gaps exist southwest of Priority Zone A between the site location and well MW-53, southeast of the site between PZ-05 and MP-52, and south of the site beyond existing wells MW-52, MW-16, MW-17, and MW-53. Based on the scale associated with Figure 10.2 from Olin's 2006 Characterization Report, the gap between the site and Well MW-53 is approximately 1,500 feet. The gap between PZ-05 and Well MW-52 is also approximately 1,500 feet. Based on the figure 7.6 of the 2006 Characterization Report, the plume core extends south of wells MW-52, -16, -17, and -53. However, the closest well screened in the deep aquifer south of these well locations is MW-21, which is approximately 4,500 feet away. Therefore, Olin has not delineated Priority Zone A in the deep aquifer. If Priority Zone A extends much further south as currently shown on Figure 10.2 of the 2006 Characterization Report, then the current design of the groundwater extraction system may not target Priority Zone A.

Figure 7.6 and 10.2 from the Characterization Report shows that the extent of the plume core in the deep aquifer is much larger than as depicted in the Area I FS Report and Area I Work Plan. Figure 5-3 from the Area I FS Report and Figure 2-2 from the Area I Work Plan depicts the plume core within the deep aquifer zone strictly within an area bounded by wells MW-16 and MW-52, and to a smaller extent directly beneath the site. However, Figure 10.2 from the Characterization Report actually connects the plume in the deep zone from directly beneath the site to the location of the proposed extraction well.

Olin must reevaluate the need for additional groundwater extraction wells to fully capture and remediate the entire plume within the deep aquifer zone. A potential location for an additional deep aquifer extraction well may be immediately south of the site's eastern boundary. Characterization activities should include at least an additional well between MW-16 and MW-21. The data gap in the deep aquifer between these two well locations



is extremely large. It is our opinion that a deep monitoring between these two well locations will help define the southern extent of the plume core within the deep aquifer zone and will be an ideal candidate to serve as a performance monitoring well (for remediation progress monitoring). We encourage you to expedite characterization activities at these locations.

If Priority Zone A extends further south in the deep aquifer, Olin will need to re-evaluate the efficacy of the proposed extraction system and modify it with the addition of an additional extraction well immediately south (southeast corner) of the site and potentially another somewhere south of the MW-16/MW-17 location. Depending on what the actual extent of the plume core is, the proposed extraction well may not be adequate to capture, contain, and remediate, the entire plume core.

Therefore, by May 15, 2007, Olin is required to provide a work plan to conduct all additional characterization activities within the deep aquifer zone that are needed to fully delineate the extent of the plume core within Area I. The work plan must address all data gaps identified in this letter, the Revised FS Report and the Characterization Report. All characterization activities proposed must be conducted concurrent with all approved remediation activities. The deep aquifer zone characterization work plan must be submitted as an addendum to the Cleanup Work Plan required in page 3 of this letter.

c. **Section 2.1 of Area I FS Work Plan, Description of the Recommended Hydraulic Control Alternative:** This section indicates that a cluster of two intermediate aquifer extraction wells pumping at a combined rate of 200 to 300 gpm will be able to contain migration of the perchlorate plume core in this aquifer.

- i. Based on the extent of the plume within the intermediate aquifer, as depicted in Figure 2-2 of the Area I FS Work Plan, we believe that two extraction wells are the minimum number of wells that may be necessary to contain migration of the perchlorate plume core in this aquifer. However, Olin must keep in mind that while the primary objective of the Area I Work Plan is to contain migration of the plume core, the overall cleanup strategy for the entire Llagas subbasin (including Area I) is to cleanup perchlorate impacted groundwater in accordance with Central Coast Water Board cleanup policies. **General Comment Nos. 1 and 2**, above provide a comprehensive overview concerning cleanup requirements associated with the Olin site.
- ii. Figure 2-1 of the Area I FS Report and Figures 5-1 and 5-2b show only one intermediate aquifer extraction well, located near Well MW-65. Olin must revise these figures to depict all extraction wells referenced in the text.

In conclusion, we take this opportunity to acknowledge the level of effort put forth by Olin and its consultants (MACTEC and GeoSyntec) preparing the FS Reports. While much work remains to be completed and we do not agree with all assumptions and conclusions posed, we sincerely appreciate the level of professionalism and high-quality work evident in the technical documents addressed by today's letter. The Revised Cleanup FS Report presents a major milestone in the Olin cleanup case. Olin has made significant progress as we move a step closer towards the implementation of off-site groundwater remediation. We are at a critical time in the project where all stakeholders need to be finding ways to reach agreements and work together, in the midst of our differences. We encourage and support ideas that promote common success; and for the sake of the people and resources impacted, ideas that expedite progress.



With this in mind, we have and will continue to ask all stakeholders to make a sincere effort to look for ways to work together and expedite groundwater cleanup and restoration, in spite of any differences we have. We are committed to avoiding any unnecessary delays, especially as we move towards active remediation. Please let us know how we can help with coordination and cooperation. As we move forward in directing active cleanup, we trust all stakeholders will do their part to help expedite the groundwater cleanup.

The requirement to prepare and submit the reports listed on page 3 of this letter is made pursuant to Cleanup Order No. 0014. Pursuant to Section 13350 of the Water Code, a violation of a cleanup order made pursuant to Water Code Section 13304 may subject you to civil liability of up to \$5,000 per day for each day in which the violation occurs.

We appreciate Olin's continued cooperation to conduct the additional characterization activities for the deep aquifer zones within Area I in conjunction with active groundwater cleanup monitoring and characterization activities. We look forward to successful completion of all remaining characterization tasks and expeditious implementation of all necessary cleanup activities. If you have any questions, please contact **Hector Hernandez at (805) 542-4641** or via e-mail at: Hhernandez@waterboards.ca.gov, or Harvey Packard at (805) 542-4639.

Sincerely,



Roger W. Briggs
Executive Officer

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ATTACHMENTS:

1. January 19, 2007 letter titled, *Review of Olin Corporations December 6, 2006 Llagas Subbasin Cleanup Feasibility Study – Revised*, prepared by WorleyParsons-Komex on behalf of the City of Morgan Hill.
2. January 24, 2007 letter titled *Olin Corporation Site, Morgan Hill, California, Olin Clenaup Feasibility Study – Revised-December 6, 2006*, prepared by Hatch & Parent on behalf of the City of Morgan Hill.
3. February 22, 2007 letter titled, *Review of Olin Corporation December 6, 2006 Reports: (1) Area I Plume Migration Control Feasibility Study, and (2) Area I Plume Migration Control Work Plan*, prepared by WorleyParsons-Komex on behalf of the City of Morgan Hill.
4. March 1, 2007 letter titled, *Comments on the December 6, 2006 Revised Llagas Subbasin Clenaup Feasibility Study – Olin/Standard Fusee Site, 425 Tennant Road, Morgan Hill, California*, prepared by Santa Clara Valley Water District.
5. February 12, 2007 letter titled, *PCAG Response to Olin's 12/6/06 Revised Feasibility and Area 1 Reports*, prepared by PCAG.

cc via e-mail:

Ms. Lori Okun
Office of the Chief Counsel
State Water Resources Control Board

Olin Technical Contacts IPL

cc via U.S. Mail:

Olin Correspondence IPL