

Also on September 8th, Chevron had completed a work plan to do continued site investigation on the service station property, a soil investigation, and the Orange County local oversight gave it permission to commence that investigation. On September 17th, Chevron transmitted laboratory results of the July sampling for MW15 and MW16 well clusters. These are the well clusters that are closest to the Dance Hall well.

The results indicate very low levels of MTBE. And again, there are trace levels in one of the selected wells of chlorinated solvents, which includes a compound called tetrachloroethylene, also known as perchloroethylene which is a dry cleaning solvent. And this solvent was also indicated when they first installed these wells. It's still persistent, still present. So while MTBE is the main concern in what has been detected at the Dance Hall well, there is this other compound that has been detected.

On September 25th, Chevron proposed to do the third quarter groundwater monitoring of all existing wells. Access to MW13 and 14 well clusters has been denied by the current property owners. And it's my understanding Chevron is working to get access back to those wells, so that they can sample them.

The City Council asked for an update with respect to progress. I reported back in August 28th there were certain items that I did not have information. I'm going to update you based on the information that has been presented to me. Most of these were scheduled for

August, and I had indicated that there was no information, and I wanted to update specifically with respect to like procure bids.

Chevron has decided to go to a sole source. The company is called [Thalank]. They have contracted, selected the contractor, and actually visited the WRP plant on August 21st. Another important aspect is the acquiring of equipment. On August 14th, they ordered -- a green sand filter has a very long lead time, and obtaining that particular thing is something on the order of about 12 weeks. So the sooner that that was ordered, the better.

Chevron also has in possession four Calgon Model 10 GAC, granulated activated carbon, vessels. My understanding in talking with Malcolm Perney is they're refitting those right now to be able to be used for the Dance Hall treatment system. And then most of the other items were pending, obtaining water level data for the groundwater startup and the field investigations. Again, most of the in-progress is waiting to complete.

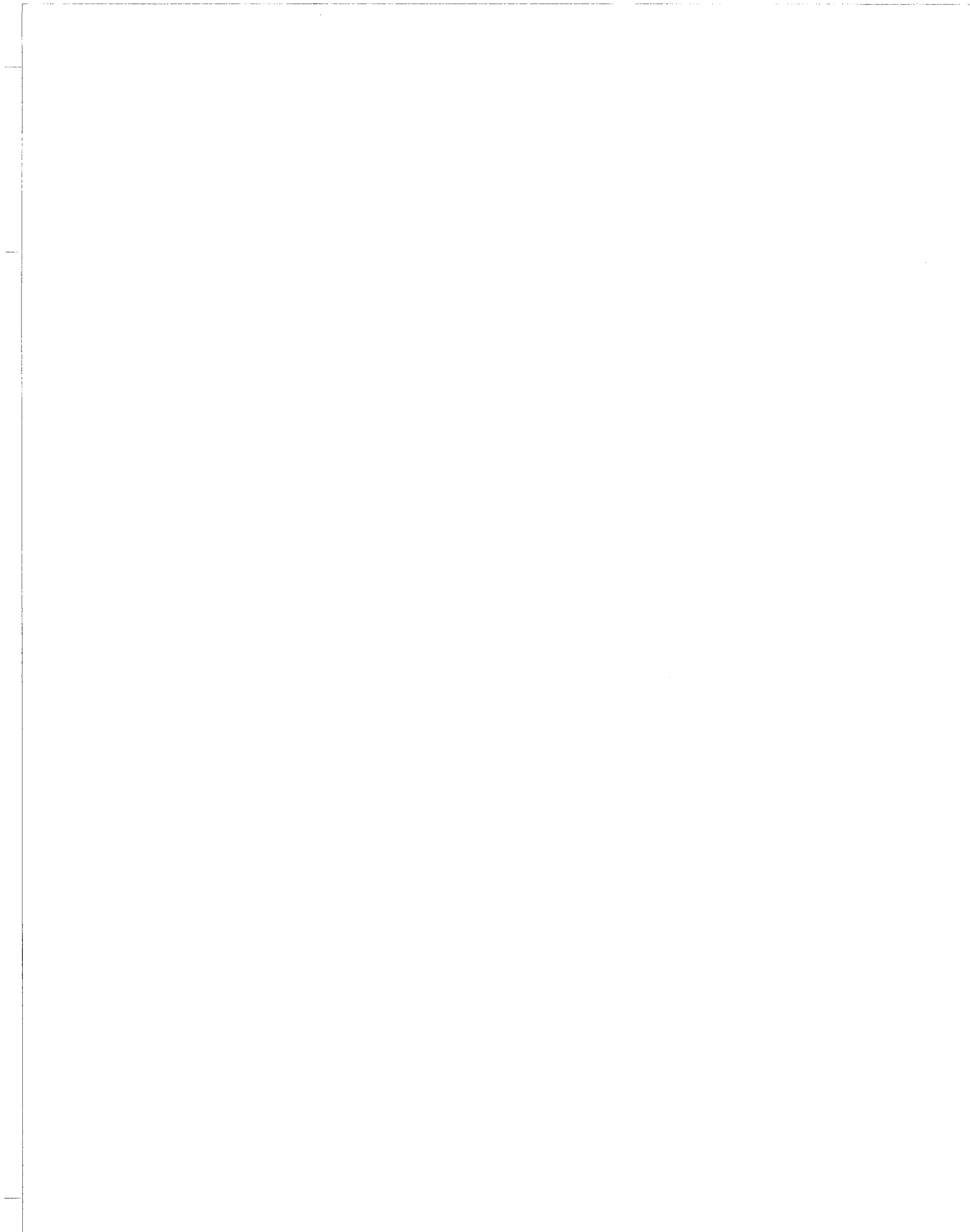
Also, this was a new item that came up in the last meeting, the continued groundwater modeling. My understanding is that they had met with an internal review, and were conducting an internal review of the groundwater modeling. And so they're hoping to have that completed hopefully in the very, very near future.

In September, they had proposed to submit a 60 percent design. They have submitted a preliminary design report to the City and to SouthWest, and Chevron is waiting for comments back before they do

the 60 percent design. Most of the stuff is in-progress. Quarterly sampling event is scheduled for the 25th. And onsite investigation, I think that since they've gotten approval, I think they're planning for mid-October to do the investigation on the onsite exsiccation.

With respect to some of the other investigations, they submitted a work plan to do offsite groundwater. I spoke with the Orange County Health Care Agency a few days ago, and they were still reviewing the reports, and had not made any determinations for approval. And before Chevron can do any added investigations, they need to get approval before [they do that]. And I urge the County --

[End of recorded material]



City of SJC WAC Meeting - Sept. 23, 2008 - Part 2



Tigerfish[®]
Transcribing·Editing

203 Columbus Avenue · San Francisco 94133
toll-free 877-TIGERFISH

www.tigerfish.com

City of SJC WAC Meeting - Sept. 23, 2008 - Part 2

[Beginning of recorded material]

Michael Donovan: -- Dance Hall well to be very important because of a concern with the impact to the other well fields.

The second site is the Chevron station located on Ortega Highway and Del Obispo. This site has had a number of problems associated with getting offsite access. Just recently in going, I saw Chevron doing onsite investigation activities associated with these properties over in these areas. They were being restricted by the property owners with a very set timeframe in which they could physically do their investigations, so it prolonged their investigation. I think they just finished up on the 16th, 17th of this month.

The last part of the investigation that they wanted to do is located on [Ralph's] property. As you recall in previous things, they did some work out in front of this hardware store here and had detected about 100 micrograms per liter of MTBE in the groundwater, and then they wanted to go and look down gradient off in this area. And of course they were looking across the street.

So they're waiting to get access to get to this. My understanding is that hopefully at the end of this month, beginning of next month, that they'll have the access arrangements arranged and be able to get onto the property.

On with those selected wells that we're monitoring over by Dance Hall for the startup, they are also doing monitoring transducers in selected wells around the Ortega station, again the [monitory] response to the City's Groundwater Recovery Plant. And I indicated that they had done the investigations at the two properties, and are awaiting access to the Ralph's.

My understanding is that they're going to file a report on the field activities about 45 days following the completion of fieldwork at Ralph's. And on October 10th, Chevron is required to submit a third quarter groundwater monitoring report for the work activities at the Ortega Highway site.

With respect to the Kinoshita well, the USC Investigation Work Plan was submitted to Orange County Health Care Agency. A water sample was collected from the Kinoshita well. We were proposing to do a bench-scale study to see what kind of treatment. Before any kind of treatment can be proposed for the Kinoshita well, we'll have to wait until the investigation that is detailed in this work plan is underway, and we start to gets results to see just what the magnitude of the problem is. Is it a very localized problem, or is it an extensive problem?

I'm going to press upon Orange County Health Care Agency preview that work plan, and try and get it approved as soon as possible so that it can get underway. Are there any questions?

Chairman Lytle: Any questions? Go ahead, Lee.

Commissioner Goode: Yeah. A lot of work I know for everybody. The last meeting we had on the new plant in Dana Point, there was some discussions about MTBE in their wells down there. But there were also brought up TBA and ethanol. Can you tell me what's the difference between TBA and MTBE, and what are the critical levels for it, and have we tested for any of that in our wells?

Michael Donovan: Okay. First, TBA is a breakdown product typically associated with MTBE. It also can be a contaminant. So when MTBE is broken down typically biologically, it breaks down into tert-butyl alcohol, TBA. Now down where those wells down on the coast where you're talking about, those wells are -- I would gather, and I haven't seen an assessment of this fact, but there just are conditions conducive for that breakdown of MTBE. So that's what's happening.

Commissioner Goode: That's not something we would expect in our area?

Michael Donovan: Well, the types of analyses that Chevron is doing, and also we're sampling for in our own wells, covers those parameters also, so that if it was present, it would be detected. And right now I'm trying to recall back -- there may have been some detections in and around the Chevron station presence, but it doesn't appear to be prevalent. I just don't recall off the top of my head. MTBE seems to be the main factor. There doesn't appear to be the conditions conducive for it to break down into TBA.

Ethanol, again the analysis, if it was present we should pick it up. And I don't recall that ethanol has been detected. But I just don't recall that that's been a problem. MTBE is the main culprit. TBA, I don't know that there's a cautionary level. I don't think that there's been an MCL designated for TBA, but I think there's an action level something [to be] notified.

I don't know whether OE HAS, the Office of Environmental Health Hazard Assessment, has developed a level for TBA as yet. I just don't recall. And ethanol I just recently was looking at to see what the levels are. I haven't found anything with respect to ethanol as of yet, but we haven't seen it in the detection in the groundwater here [unintelligible].

Commissioner Goode: Why would we not see it, and they would see it?

Michael Donovan: Well, ethanol is an oxygenate that's currently being used. When I see the presence of ethanol, that would suggest to me that this has been a recent release. That's what I would interpret initially from the presence of ethanol being in the groundwater.

Commissioner Goode: Thanks.

Chairman Lytle: Go ahead. John, do you have a question?

John: Yeah. Is Chevron going to be talking at all? Okay. And then we also have Anthony Martinez from the County who will be giving us a presentation from the County's perspective.

Chairman Lytle: Okay. Just one question before Chevron -- because I think this relates more to City business, at least in my perspective. It seems that through this whole process there has been reluctance -- and there may be good reason -- to have test wells, monitoring wells drilled. There's been a reluctance to have a company go back and even test.

Now I'm kind of surprised that if the wells are drilled and they've been there, why is there any concern about Chevron going back in and testing? They're not taking the drill rig back. It just seems to be prevalent through this whole process that there is some reluctance on getting this job done, and that reluctance seems to be coming from perhaps not our City owned property, but from property owners who don't seem to be able to be satisfied with I guess the waivers of liability and things of this nature that are legal.

This question has been asked 10 times already. Is there any way that the City can help, and have an effective help, to gain entrance to some of these areas? I'm confused by -- they've already drilled the wells. Now they want to go test, and they're being told, "No." It just baffles me. It's just a question.

John O'Donnell: I'm not sure if there's any type of imminent domain proceedings we can take to ensure the drilling, but I think that's something that Mr. Martinez was going to speak upon, as well.

Chairman Lytle: Okay. Yeah. I didn't mean the imminent domain. I just meant assistance in just getting entry again.

John O'Donnell: I'd like to state that in meetings with Chevron, we have repeated to Chevron that any assistance the City can provide, we will try and provide.

Chairman Lytle: Well, I assumed that. You know, it's just kind of unusual. This is a pretty serious problem even to certain landowners. I believe they drink the water we drink. So other than that --

John O'Donnell: And we are starting to meet now on a periodic basis before WAC meetings and Council meetings to make sure we're all coordinated, and we are bringing up issues and trying to resolve issues in a more expeditious manner. That is one that we'll be addressing.

Chairman Lytle: Any further questions? Thanks, Mike.

Michael Donovan: Thank you.

Chairman Lytle: And now would be Chevron. Thank you for being here.

Natasha Molla: Good morning. Mr. Donovan's done a pretty good job of giving all the facts of what's happened in the last month. What I thought I would just briefly touch on, there seem to be still some questions last meeting regarding the IRAP. And so what I've done is I've gone along and just kind of highlighted some of the bullet points of the IRAP and kind of where we're going, to show that we are on track to meet our February date. So just again, this photo is just putting in perspective the sites and the locations of the wells.

As a reminder, we did submit our IRAP back in March. It contained these four major areas, talking about preliminary site conceptual model, our remedial objective, our alternatives evaluation, and then just kind of what we proposed, which was well-head treatment at Dance Hall, and pretreatment with the green sand, which Mr. Donovan had mentioned we do have on order.

Orange County Health Care Agency did approve it, and they had no objections with us going ahead and proceeding with our IRAP. So just some of the points that we brought up that Orange County did approve was that we would update our site conceptual model as we collected data, which we have collected quite a bit of data and hope to be updating that in the next document.

We had to put a work plan out for additional wells, which one of the two work plans has been approved. We are working on building the groundwater extraction at Dance Hall, or the well-head treatment. And pending our investigations, some of our interim remedial action plan may be used as the final. And the schedule was accepted.

Some of our design tasks that we're working on are obviously understanding how Dance Hall operates, getting this appropriate equipment, performing different kinds of tests: the RSSCT, which you've heard about; the aquifer test, which we did a few months ago; and then of course securing agreements with the appropriate entities to [put in] our Groundwater Treatment Plan. So we did, as Mr. Donovan mentioned, provide a preliminary design report, and we're just waiting for a few comments.

Again, as we mentioned in the last meeting, this is just kind of a rough photo showing the layout of our plant. Again, this will be on County property here. These containers, the green sand, and other parts will be inside the Groundwater Recovery Plant. Still working on permitting, but we have made contact with some of these entities, and working forward with the City's cooperation and help on that.

We did meet with Orange County Flood, and we are getting that encroachment permit turned in here pretty quick. We are working with the City on getting the appropriate permits and such to get the green sand filter inside the Groundwater Recovery Plant. We have procured the green sand filters and the GAC unit. We hope to be starting pretty soon work [in] the compound. Again, we're inspecting our carbon canisters and making sure that they're all up-to-speed to get those moved down.

As with any new process, we'll have a troubleshooting [at] startup. We'll begin pumping at a low rate. We'll optimize, and we'll also need to have trained operators. We're still on target for February of 2009. We have submitted a couple work plans, which we mentioned in the IRAP. We have received approval on one. And as I mentioned, we're still waiting for Orange County on the other.

This very busy slide is just again showing what things had been done in what month and where we're at. So if you see a date, those are the dates that have been met. And then the other ones are items that we're working on. Are there any questions that I can answer for you?

Chairman Lytle: Yeah. Trained operators. Who will they be working for? Who's going to train them?

Natasha Molla: We're using the same equipment that is currently in the Groundwater Recovery Plant, and the same chemicals and such. So it will be something that will be worked out with SouthWest Water. We expect it to be a minimal addition to what they're currently doing.

Chairman Lytle: Questions? John, staff, any questions? Well, thank you. It's good to see that PSOMAS and Chevron are on the same page. That's, I think, an improvement.

Natasha Molla: Thanks.

Chairman Lytle: Thank you very much.

Natasha Molla: Thank you. Did you have a question? I'm sorry. No? Okay.

Chairman Lytle: And Mr. Anthony Martinez would be speaking on behalf of the County.

Anthony Martinez: Thank you. I don't have any prepared presentation for today, but I can just go over a couple of quick issues. I guess to address your question about property access --

Chairman Lytle: Yes.

Anthony Martinez: -- I'm not sure what the nature of the property owners' concerns are with letting Chevron return to wells that they've already installed. But again, the County is prepared to issue letters, basically the same letters that we issued initially for the Ortega Highway site to the various property owners to try and get some cooperation.

And either myself or my manager, or even up to my director were willing to sit down with property owners and discuss the issues with them. And if needed, we can always approach the Regional Board or the State Board to get some further enforcement on those property owners. Obviously we've got the wells there, and so I think we want to maintain some sort of working relationship with them -- well, between them and Chevron.

Chairman Lytle: Right.

Anthony Martinez: And I'm not sure if you've communicated with [Shamo] yet what the problems are with that access agreement, but we should be able to work something out with them.

Chairman Lytle: Right.

Anthony Martinez: There's no easy way of getting on and getting out there. Like I said, we'll work with them to try and get that access restored. As far as the work plans, we had I believe it was three work plans that were submitted in August. And August is a bad month. We have a lot of vacation time, and people were out of the office. So we're catching up.

I believe we have one work plan left that we have left to approve, and it's for the installation of additional wells, perimeter wells around the Dance Hall well. On our priority list, that was the lowest priority. But we're looking at that now, and we will be doing it. Those wells are definitely a priority for us. Especially if we're going to go ahead with well-head treatment, they are necessary to make sure that we've got full containment of the plume, and that we're not missing anything, or not letting anything pass by, especially if Dance Hall well goes down in the future for any amount of time.

Our primary focus is completing the assessment onsite. Previous assessments onsite didn't include MTBE/TBA to the extent that we would want them. So that's what we've got Chevron taking care of right now, so that we can try and get a handle on what's a remediation up at the site or closer to the site, as appropriate. We're expecting to see a corrective action plan within a few months after their investigation is completed.

I believe that right now they're in the first phase of their investigation upon site. But we do already have monitoring wells up there, so we do have a pretty good handle on the groundwater contamination. I think we need to get a little more detail on what the extent and the source of the contamination is. And we've seen comments, and we've reviewed comments from PSOMAS that they've submitted to us, so we're moving ahead on that. I would expect that work plan for the Kinoshita perimeter wells to be coming out in the next week or two.

As far as TBA, there's something about the water in the middle of the basin here that is just not conducive to the degradation of the MTBE into TBA. And it doesn't really matter whether it's TBA or MTBE; we're still applying the same sort of standards, clean-up standards and investigation standards, whether it's MTBE or TBA.

So I believe that there is an action level for TBA about 12 or 13 parts per billion, but we'll look into that a little bit more. Basically we treat TBA as if it was MTBE, and you just don't have any here. And it is unusual to have a plume this long with no TBA. We've got other sites where the MTBE is completely gone and it's all TBA; it's all been converted over. So it is unusual.

The IRAP, the only thing I have to comment on that is that the County didn't really approve the well-head treatment plan, per se. I mean, we have no objections to it. It's not for us to comment on, the treatment plant and its operation. Our big concern with the well-head treatment, if that's going to be a component of Chevron's approach for this site, is that we also have those perimeter wells, since obviously operating the Dance Hall well is going to draw contamination closer.

We're going to keep an eye on the PCE that was found in the offsite wells, and continue to update the Regional Board. They would be taking primary lead on any investigation related to that. They may just decide not to get too involved in it, since we've got this other remediation already ongoing. But definitely if concentrations get to the point where Chevron doesn't think their system is capable of dealing

with it, or that it places a great burden on their plume, then we can all sit down with Regional Board and discuss it further.

Beyond that, I don't have anything. If you have any questions --

Chairman Lytle: Any questions from the Commission?

Michael Donovan: So we will be working more closely with the County to try to get those letters out to the homeowners and push this issue forward.

Chairman Lytle: I think that's important because all along there's been concerns about dragging out, dragging out, taking more time, taking more time. And we don't want to be part of, if we can help it, of slowing down the progress to clean this problem up.

Michael Donovan: Yes. Now that the County has some solutions, we'll be working with them on implementing those.

Anthony Martinez: Yeah. That same question was raised about property access at the Dana Point meeting last week, and the big difference between these two projects is down there, the oil companies -- there are three oil companies, and they're all dealing basically with state parks, the City, and Caltrans -- a lot easier. I mean, I wouldn't say they're easier to deal with, but in cases like this it's much easier to have three entities like this that are well-aware of what's going on and willing to go than to have two dozen private property owners, each one with their own concerns.



**COUNTY OF ORANGE
HEALTH CARE AGENCY**

**PUBLIC HEALTH SERVICES
ENVIRONMENTAL HEALTH**

**JULIETTE A. POULSON, RN, MN
DIRECTOR**

**DAVID M. SOULELES, MPH
DEPUTY AGENCY DIRECTOR**

**RICHARD SANCHEZ, REHS, MPH
DIRECTOR
ENVIRONMENTAL HEALTH**

*Excellence
Integrity
Service*

MAILING ADDRESS:
1241 E. DYER ROAD
SUITE 120
SANTA ANA, CA 92705-5611

TELEPHONE: (714) 433-6000
FAX: (714) 754-1732
E-MAIL: ehealth@ochca.com

May 14, 2008

RECEIVED
5/15/08

Natasha Molla
Chevron Environmental Management Company
145 S. State College Blvd.
Brea, CA 92822-2292

Subject: Interim Remedial Action Plan dated March 26, 2008 prepared by Conestoga-Rovers & Associates

**Re: Chevron Station #9-3417
32001 Camino Capistrano
San Juan Capistrano, CA
OCHCA Case #89UT027**

Dear Ms. Molla:

The Orange County Local Oversight Program (OCLOP) has reviewed the subject Interim Remedial Action Plan (IRAP) that proposes groundwater extraction from the Dance Hall municipal water supply well using granular activated carbon with greensand filtration as the treatment technology. Based on the review, the OCLOP is acceptable to the overall preliminary conceptual design plan of the proposed IRAP and has no objections to Chevron proceeding with the proposed Dance Hall well head treatment design as interim remedial action provided the following issues are addressed:

1. All necessary permits for the proposed wellhead treatment system and distribution of the treated groundwater into the Groundwater Recovery Plant (GWRP) must be obtained from appropriate agencies prior to operation of the system. Chevron must coordinate the design, construction, and operation of the treatment system with the owner and operator of the City's GWRP. The OCLOP will not provide any engineering review of the treatment system, or any portion thereof, proposed by Chevron in the subject report.
2. Perimeter wells (horizontal and vertical) are required to ensure that the induced flow of contaminants is being contained by the extraction well, as with any groundwater recovery system designed to extract groundwater contaminants. Therefore, prior to initiating any groundwater extraction for remedial purposes, Chevron must install additional well clusters surrounding the Dance Hall well to provide evidence of the effectiveness of the extraction well. A workplan for the additional well clusters must be submitted to this office within 60 days of your receipt of this letter, as proposed in the IRAP.
3. The operation of the Dance Hall well and treatment of the groundwater produced from that well does not constitute an acceptable final remedial alternative for the referenced site. Based on the data available for this site, it appears that active remediation will be required on-site and immediately downgradient of the Chevron Station property. The statement that other production wells might be impacted if the Dance Hall well remains off and allows the MTBE plume to migrate further beyond the groundwater capture

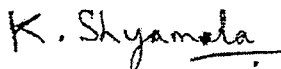
zone of the Dance Hall well presumes that there are no other feasible remedial alternatives to accelerate plume remediation. A Corrective Action Plan (CAP) must be submitted to the OCLOP after the additional investigations proposed in the IRAP have been completed.

4. The total anticipated time duration for completion of the design, construction, installation, and start-up of the treatment system is not specified in the IRAP. Please submit a schedule for completion of each of these steps.
5. The subject report states the objective of the interim remedial action is to remediate the MTBE plume such that it does not adversely impact downgradient receptors in the future. It further states that if the wellhead treatment remedial approach is not meeting the cleanup objective for the site, a supplemental remedial technology may be proposed in a CAP. The cleanup objective for the site, remediation objective of the IRAP, and additional objectives that may arise as stated in the report must be evaluated and explained. In addition, the criteria used to assess the effectiveness of the operation of the interim remedial action in remediating the MTBE plume must be defined prior to initiating the IRAP.
6. The preliminary Site Conceptual Model must be updated in subsequent reports as more field data becomes available. In particular, the vertical and lateral extent of the MTBE contamination at this site must be determined.
7. The subject report states that a comprehensive sensitive receptor survey and well conduit study for evaluation of preferential pathways will be conducted. Please submit copies of the survey performed to the OCLOP for review.
8. Monthly sampling of well clusters MW-15 and MW-16 must continue as being implemented at present. In addition, sampling of the well clusters MW-14 through MW-16 must be initiated when the Dance Hall well becomes operational.


Chevron may submit a revised IRAP that incorporates comments from PSOMAS in its review letter; however, be advised that in the interest of expediting the site assessment and remediation, the OCLOP does not require the document to be revised. It is OCLOP's opinion that the technical evaluation presented by PSOMAS should be evaluated and addressed in future submittals as appropriate. This Agency does review all comments submitted by the City and its consultant and will request correction or explanation of any issues that have a significant bearing on the progress of corrective actions at the site whether they are raised by an outside interested party or by the OCLOP staff.

If you have any questions, please call Anthony Martinez at (714) 433-6260 or Shyamala K. Sundaram at (714) 433-6262.

Sincerely,



Shyamala K. Sundaram
Hazardous Waste Specialist
Hazardous Materials Management Section
Environmental Health


Anthony F. Martinez, PG #6948
Supervising Hazardous Waste Specialist
Hazardous Materials Management Section
Environmental Health

cc: David W. Herzog, Conestoga-Rovers & Associates, Roseville, CA
Eric Bauman, City of San Juan Capistrano
Michael P. Donovan, PSOMAS
Sue Pease, San Diego Regional Water Quality Control Board

From: Molla, Natasha (NatashaMolla) [mailto:NatashaMolla@chevron.com]
Sent: Wednesday, August 27, 2008 3:00 PM
To: John Odonnell
Subject: SJC: Preliminary Chevron PDR Files

Hi John,
Attached is the Preliminary PDR document. We'll see you tomorrow!

Natasha Molla
Team Lead, Retail and C&I-Southwest

Chevron Environmental Management Company
Marketing Business Unit
145 S. State College Blvd, Brea, CA 92821-5818
Tel 714-671-3537
Fax 714-671-3440
Mobile 714-926-8674
NatashaMolla@chevron.com

PRIVILEGED & CONFIDENTIAL COMMUNICATION. This e-mail is intended only for the use of the persons to whom it is addressed, and may contain information that is privileged, confidential, or otherwise protected under applicable law. If you are not the intended recipient, or authorized by the recipient to read this, you are hereby notified that you are prohibited from using, copying, disseminating, or replying to this e-mail. IF YOU RECEIVED THIS E-MAIL IN ERROR, PLEASE ADVISE THE SENDER IMMEDIATELY BY RETURN E-MAIL



Natasha Molla
Team Lead, Retail and
C&I-Southwest

**Environmental
Management Company**
Marketing Business Unit
145 S. State College
Boulevard
P.O. Box 2292
Brea, California 92822-2292
Tel 714-671-3537
Fax 714-671-3440
natashamolla@chevron.com

October 30, 2008

Shyamala Sundaram
Orange County Health Care Agency
Hazardous Waste Specialist
Hazardous Materials Management Section, Environmental Health
1241 E. Dyer Road, Suite 120
Santa Ana, CA 92705-5611

**Subject: 60% Drawing and Specifications and
Comment Table Addressing PDR as part of IRAP Implementation**

**Re: Chevron Station No. 9-3417
32001 Camino Capistrano, San Juan Capistrano, CA
OCHCA Case #89UT027**

Dear Ms. Sundaram:

Attached please find submittals for the 60% Drawings and Specifications. In addition, the comment table for the PDR report for the above-mentioned site. Please contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Natasha Molla".

Natasha Molla

Cc: John O'Donnell – City of San Juan Capistrano
Michael Donovan – Psomas
Andy Ngo – County of Orange, County Property Permits
Jack Fraim – Cedar Creek Consulting

**MINUTES
OCTOBER 7, 2008
SAN JUAN CAPISTRANO CITY COUNCIL REGULAR MEETING**

CLOSED SESSION

Mayor Soto called the Closed Session of the City Council of the City of San Juan Capistrano to order at 5:30 p.m. in the City Council Chamber.

ROLL CALL

COUNCIL MEMBERS PRESENT: Sam Allevato, Tom Hribar, Dr. Londres Uso, Mayor pro tem Mark Nielsen and Mayor Joe Soto

COUNCIL MEMBERS ABSENT: None

PUBLIC COMMENT – CLOSED SESSION ITEMS:

Mayor Soto invited the public to provide comment. There was no public comment and the meeting was moved to Closed Session chambers.

CLOSED SESSION (610.85)

A Closed Session was held for the following purposes, as authorized by statute:

- a. PURSUANT TO GOVERNMENT CODE SECTION 54958.9(C), THE CITY COUNCIL CONFERRED WITH LEGAL COUNSEL PERTAINING TO THE POTENTIAL INITIATION OF LITIGATION INVOLVING FOUR CASES.

RECESS UNTIL 6:30 P.M.

BUSINESS SESSION

Mayor Soto called the Regular Meeting of the City Council of the City of San Juan Capistrano to order at 6:38 p.m. in the City Council Chamber. Council Member Hribar led the Pledge of Allegiance and Mayor pro tem Nielsen gave the invocation.

ROLL CALL

COUNCIL MEMBERS PRESENT: Sam Allevato, Tom Hribar, Dr. Londres Uso, Mayor pro tem Mark Nielsen and Mayor Joe Soto

COUNCIL MEMBERS ABSENT: None

Agenda items are presented in the originally agendized format for the benefit of the minutes' reader, but were not necessarily heard in that order.

ANNOUNCEMENTS OF COMMUNITYWIDE INTEREST

Karen Crocker, Community Services Director, announced the following upcoming communitywide events:

- Groundbreaking ceremony for Los Rios Park project
- Orange County Fire Authority Open House
- Second Saturday Art Fair
- Travis Air Force Base Rhythm & Brass band concert
- Flu Shot Clinic for older adults

INTRODUCTIONS, PRESENTATIONS, AND DONATIONS

1. **JOE MANKAWICH RECOGNIZED FOR 10 YEARS OF SERVICE TO THE CITY (730.90)**

John O'Donnell, Utilities Director, recognized Joe Mankawich, Associate Engineer, for 10 years of service to the City and Mayor Soto presented him with a Certificate of Appreciation.

2. **MAYOR'S COMMUNITY SERVICES LEADER OF THE YEAR: JAMES LITTLEJOHN (610.40)**

Mayor Soto recognized James Littlejohn, executive Director of the Boys & Girls Club of Capistrano Valley, for his longtime contributions to the City and presented him with the Mayor's Award for Community Services Leader of the Year.

3. **ORANGE COUNTY CHAPTER OF THE URBAN LAND INSTITUTE TECHNICAL ADVISORY PANEL REPORT ON THE I-5 INTERCHANGE (610.40)**

Roger Mobley, Roger W. Mobley Consulting; Jim Lizzi, City of Irvine; and Edward A. de Avila, Village Partners, representing the Orange County Chapter of the Urban Land Institute, Technical Advisory Panel, gave a PowerPoint presentation report of their recommendations for the downtown area related to proposed improvements for the I-5/Ortega Highway interchange.

4. **STATUS REPORT – METHYL TERTIARY BUTYL ETHER (MTBE) TESTING AND REMEDIATION CONDUCTED BY CHEVRON (530.25)**

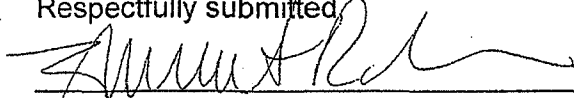
Michael Donovan, PSOMAS, the City's consultant to oversee Chevron's MTBE remediation efforts provided a PowerPoint presentation reviewing the status of the work completed and yet to be completed by Chevron.

Natasha Molla, representing Chevron, provided a PowerPoint presentation regarding the current status of their efforts to remediate MBTE in the city's groundwater.

ADJOURNMENT

There being no further business, Mayor Soto adjourned the meeting at 11:12 p.m. to Tuesday, October 21, 2008 at 5:30 p.m. for Closed Session, and 6:30 p.m. for the public Business Session in the City Council Chamber.

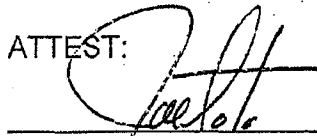
Respectfully submitted,



MARGARET R. MONAHAN, CITY CLERK

Approved: October 21, 2008

ATTEST:



JOE SOTO, MAYOR



City of SJC - City Council Meeting - October 7, 2008 - MTBE



Tigerfish[®]
Transcribing·Editing

203 Columbus Avenue · San Francisco 94133
toll-free 877-TIGERFISH

www.tigerfish.com

City of SJC - City Council Meeting - October 7, 2008 - MTBE

[Beginning of recorded material]

Mayor Soto: Councilman [unintelligible]

00:00:03. Male Voice: Mr. Mayor, I don't have any questions tonight.

Male Voice: I guess I do. Going back to the Ortega extension, it's my understanding -- this is a question for Mr. [Dumheart] that we at one point in a previous study looked at parking structure in that location. Could you comment on that? That was one of the previous studies that we've done.

00:00:25. Male Voice: Yes. Back in 1991-92, we received a grant to build a parking deck over the multimodal parking lot that's in the vicinity of block 1. And after some technical studies we saw that the concept plans that were submitted for that competitive grant found that the site was constrained -- wasn't as large as the concept plans had envisioned. There were some reservations about the deck blocking the view of the depot.

00:00:56. And then there was a parcel that we did not own, which is the vacant lot next to Pedro's Tacos that created a notch within the parking deck and did not provide adequate circulation. If you were to go and accomplish [the] larger plan like this, it will require some additional land assembly. It will require a bigger vision and view to go forward

than that deck that we had. But certainly I think they didn't miss the key, and that is that parking lot is ground zero for this town.

00:01:27. That is parked at 100-percent capacity daily. That's where everybody wants to park. That's where the street should lead them to.

Male Voice: So if we put a parking structure, what parcels would we have to take or purchase?

00:01:45. Male Voice: Oh, you'd need to have that laid out to see what parcels are impacted. Generally the current terminus ends up at the trading --

Male Voice: [unintelligible] trading post and Pedro's Tacos -- those two parcels?

Male Voice: Yes, correct.

Male Voice: Thank you, Mr. Mayor.

00:02:03. Mayor Soto: Thank you, Councilman [Rubehorn]. I just want to express my thanks to the Open Land Institute for a job well done, and also I see quite a few of the panel members in the audience there: I want to thank them for weighing in on this. It's a very interesting conceptual plan. I think as Mr. [Dumheart] kind of alluded to here, the devil's actually in the details as we begin to kind of ratchet down and begin to identify land uses.

00:02:34. I think that's where obviously the challenges come in and so on and so forth. But I think, again, conceptually this is a great thought process and I commend you gentlemen for it. So thank you very much.

Male Voice: A pleasure.

Male Voice: Thank you.

Male Voice: Yes, sir. Dr. [Russo].

00:02:58. Male Voice: I just want to say again what an honor it is to work with the folks with this economic development committee. Every meeting that we have is really exciting, actually, which is a word that you normally don't use with meetings very often. And it's made up of some really smart people that I know are going to bring some great projects to the city. So I want to just thank everybody on the economic development committee. Thank you, Mr. Mayor.

Male Voice: Thank you, Doctor. Next we'll move on to item B-4.

00:03:38. Male Voice: Good evening, Mayor, Pro Tem, and councilmen. My name is Michael Donovan. I'm a senior hydrogeologist with [SOMAS], and this presentation is an update of the investigations -- MTB investigations from the August 28 meeting, joint water advisory council and city council meetings.

00:04:08. As you are aware, several Chevron stations within the city of San Juan have had releases of MTBE, most notably the one located at Camino

Capistrano, which some investigations have been conducted -- have impacted the [Dancehall] well, located down to the south.

00:04:36. Here is Del Obispo, Camino Capistrano, and the [Dancehall] well has been impacted, and just to give a proximity of where things are located, some of the other desalter wells that are located within the city of San Juan. The Camino Capistrano site -- there have been ongoing investigations that have included groundwater monitoring wells located between the station and the [Dancehall] well.

00:05:06. Those investigations continue to do -- have been doing investigations in and around the area, trying to get a definition of the plume. And in addition, Chevron has continued to do investigations of groundwater monthly for the wells closest to the [Dancehall] well and quarterly for the rest of the existing groundwater monitoring wells.

00:05:34. To date, Chevron has continued the rapid, small-scale column test that it started back in April of this year with a sample that was collected from the [Dancehall] well. This is being used as a design for the treatment system at the [Dancehall] well. In addition, Chevron has continued to monitor transducers.

00:05:56. The groundwater recovery plant has been down and has recently started -- they wanted to see what the response is to various wells and took the opportunity to put transducers in select wells around the area to see what the response was, which would help in the overall planning of this interim remedial action. On September 8, Chevron and the City of San Juan met with Orange County Flood Control District.

- 00:06:27. As you may be aware, the proposed treatment system is going to be located -- the [Dancehall] treatment system is going to be located adjacent to the existing groundwater recovery plant. They had looked at various locations where they could put it, and it ended up that the most probable location is in the park area with -- that is owned by the Orange County Flood Control District.
- 00:06:55. The City of San Juan leases that as a park, so they're proposing to take a portion of that, and Chevron has approached the Orange County Flood Control District to see what kind of requirements, permits, so forth, and to start the process. On September 8, Chevron received permission to do ongoing investigations. They submitted a work plan for the station itself.
- 00:07:26. There was some additional investigations that were required, and they got approval from Orange County Healthcare Agency to conduct those investigations. On September 17, Chevron has transmitted results of the recent wells -- recent sampling of the wells that were sampled during July. Results indicate still very low levels -- these two wells are the closest two wells to the [Dancehall] well. The results indicate very low levels of MTBE are still present.
- 00:07:57. Excuse me. Also, trace levels of chlorinated solvents were also detected, including tetrachloroethene, which is also known as perchloroethylene, which is a dry-cleaning solvent. These were also seen at the very beginning when these wells were first installed. They continue to be at very low levels. On September 23 an update was

given to the water advisory commission, and on September 25
Chevron conducted groundwater sampling for the third quarter.

00:08:31. Several wells -- MW-13 and MW-14 well clusters, which are located on private property -- they have been denied access by the current owners, and Chevron is working to regain access to those wells. Back several months ago, the city council requested a timeline of activities and what's being done.

00:09:00. In the last presentation on August 28, I reported that there were a number of issues, activities that I had no records. Since that time a number of these things have been updated, and with most everything being completed for the month of August. Very few things are pending. Most of it is associated with -- the only pending thing . . .

00:09:32. They continue to do groundwater modeling. That -- I'm actually going to attend a meeting next week where they bring out the preliminary information with respect to that modeling effort, and hopefully there will be a report at the end of this month from that particular effort. Other things that have been going on for September into October is that they're getting ready to finalize the 60-percent design.

00:10:03. They were awaiting comments from the city and the operator, Southwest Water Company, which they have received, and so I take it that Chevron is going to be completing the 60-percent design rather soon. And as far as the investigations -- I'll talk about some of the investigations for the other things, but everything -- most everything appears to be on track.

- 00:10:35. They still are conveying that February, 2009 will be the startup for the proposed groundwater treatment system for the [Dancehall] well. The Chevron service system at Ortega, which is located at Ortega Highway and Del Obispo -- most of those activities that have been occurring relate to investigations that were off-site.
- 00:11:04. Just to give you an idea, Chevron obtained permission to do investigations up in this area, and during the month of September they were out in the field. They were hampered a little bit because the property owners gave them very strict, narrow timeframes in which they could actually do their things, and so it protracted out a little bit. But they were completed as of September 16.
- 00:11:31. They also got permission to investigate in this particular area down near the [Ralph's], and my understanding is that work has been completed. In addition, they are also doing -- [have] wells in this particular area, which they're monitoring the startup response of wells to the groundwater treatment plant.
- 00:12:01. And my understanding is that following the investigations they're going to do on-site surveys to locate these newly installed investigation points at the [Sizzler], [Marie Callender's], and [Ralph's]. A report of these field activities should be completed in approximately 45 days. And then on October 10, Chevron will submit a report of the third-quarter groundwater sampling.

00:12:30. The last investigations that are being conducted are associated with the [Kinnesheeda] Farms. As you recall, there were underground storage tanks on city property that were removed, and a report was submitted to the Orange County Healthcare Agency. The results of that -- the [Kinnesheeda] well appears to have been impacted. It's still not clear whether it associates with these tanks, but there was a [release] that included MTBE at this farm.

00:13:03. So the tanks have been removed, a report has been submitted, and a work plan was developed with respect to this -- an ongoing investigation at this particular site. The work plan was submitted and hopefully anticipate an approval letter within the next week. I talked briefly to the Orange County Healthcare Agency last week, and they indicated that was on their list of items to review this week.

00:13:34. In addition, a sample was collected from the [Kinnesheeda] well in anticipation that some kind of treatment may be required, and it was submitted to a laboratory to do a [binge] scale test on some treatment technology. Again, we're trying to get ahead of the curve so that this can be acted on as quickly as possible once we have an idea of the extent to which the area, the [Kinnesheeda] well has been impacted.

00:14:02. With that, are there any questions?

Mayor Soto: Yeah. Mr. Donovan, I do have a question. You indicated that there were two access -- or test sites that Chevron was denied access to. What two sites were those?

00:14:21. Michael Donovan: It was wells MB-13 and -14. And I'll just show you -- these are located up in this particular area. I don't currently know who the owners are. Chevron could maybe share that with us, who those owners are. But they originally did have access. They were able to install the wells and sample them, and then for some reason they were denied access on subsequent samplings.

00:14:52. Mayor Soto: Okay, thank you. Council member [Rubar], you had a question.

Male Voice: Is it possible that the treatment system at the [Dancehall] well could be enlarged to treat the water coming out of the [Kinnesheeda] well, treat them both with the same system?

00:15:14. Michael Donovan: The problem with the way that the groundwater recovery plant is set up -- and let me back up and I'll explain a little bit. The groundwater recovery plant has pipelines that come into the groundwater recovery plant. They aren't separated by wells, meaning they have one pipeline and each well pumps into these joint pipelines.

00:15:42. So when water that comes from [Kinnesheeda] well gets to the [unintelligible] plant, it also includes water that comes from these other three wells, if they are operational, into the pipeline. And so it becomes a massive amount of water, which you end up with very low concentrations. It would be -- it could be expanded, but it would be monstrous. It would be better, if you were to put a treatment system, that you would put it at the well site.

Male Voice: Down at the [Kinnesheeda] well?

00:16:14. Michael Donovan: Correct.

Male Voice: So if we treated the [Dancehall] well and we mixed the [Kinnesheeda] well, what would be our parts per billion? It would be pretty insignificant, wouldn't it?

Michael Donovan: The levels would be pretty low.

Male Voice: Much below the health department requirement?

00:16:34. Michael Donovan: I don't think that the levels ever got above either the secondary or the primary at the [unintelligible] plant.

Male Voice: What is the modeling work that's going to occur for the Del Obispo/Camino Capistrano spill -- what's the modeling work going to show anybody?

00:16:56. Michael Donovan: According to Chevron, what they have conveyed to me is that it's going to show the [Dancehall] well, whether it's capable of capturing the plume that's emanating from the Chevron station pass and whether it can completely capture the plume. That's my understanding.

Male Voice: So "capturing" meaning over a period of time eliminating that plume?

Michael Donovan: Well, at least keeping it from migrating past the [Dancehall] well.

Male Voice: Okay. Thank you.

Male Voice: Dr. [Russo].

00:17:29. Male Voice: It's my understanding -- and maybe this is more for staff -- that we've identified a firm to build the facility at the [Kinnesheeda] well? Is that correct? In fact, I met them [at] League of Cities. Have they given you a timeline when they expect to have their treatment plant completed?

00:17:59. Michael Donovan: I don't have that timeline at this time.

Male Voice: In fact, they assured me that they were moving forward quite rapidly, and they would have this done in short order, and they have not relayed that information to you?

Michael Donovan: They've been working through Eric Baumann, who is the project manager.

Male Voice: Good. Yeah. Thank you.

00:18:22. Michael Donovan: I would like to add something. One of the things that we're trying to figure out is that before we commit to a large treatment system, we're trying to figure out just exactly how much is in the groundwater that may be coming from the farm site. If the concentrations are very high, it tells us one thing. If the concentrations are very low, this is just an aberration that may be gone after pumping

for a short time, it may not be worth the installation of an expensive treatment system.

00:18:55. So we're moving to try and get that investigation conducted as soon as possible at the [Kinnesheeda] Farms so we can get an understanding just what are the levels in the groundwater.

Male Voice: So what you're saying is that it's possible that we may not need a treatment plant at [Kinnesheeda] if your studies find that there's -- that that is concentrated but could be removed just by running the well without treating it and dumping that water elsewhere? What will we do?

00:19:27. Michael Donovan: Well, again, it depends on how much, because we don't know how much was actually released. We don't know if it was a gallon of gasoline or 2000.

Male Voice: Yeah.

Michael Donovan: So that's what we're waiting for, is to see, you know, is it just [very low] concentrations in the groundwater that actually have encountered the well, and is it very narrow? Maybe it can be taken care of simply with a pump-and-treat system and a hydraulic control system on the farm site, and no treatments necessary at the [Kinnesheeda].

Male Voice: When will you know that?

00:20:02. Michael Donovan: As soon as the investigation is conducted, and again, we have to wait till the Orange County Healthcare Agency gives us approval on the work plan, and then we're going to essentially get bids from various consultants to implement that work plan. In fact, we're working ahead of them, not waiting for them -- for Orange County Healthcare's approval, because we think we're fairly close as to what's going to be required, and try and get those bids before --

00:20:34. Male Voice: Do you have an idea how long the permits will take from the county?

Michael Donovan: To implement and to get some kind of idea, probably three months, three to four months.

Male Voice: Is that for the permit or for the study?

Michael Donovan: Study.

Male Voice: Okay. Thank you.

Mayor Soto: Mayor Pro Tem.

00:20:58. Mayor Pro Tem: Thank you. A couple questions. On the testing of samples from wells and your experience when you do that or your firm does it, how long does it normally take for you to get results from a test of the sample?

00:21:14. Michael Donovan: Normally when a well is sampled it takes approximately 10 working days, 10 to 15 working days, for the laboratory to turn around -- excuse me -- turn around the results of the testing of that sample that was submitted. Excuse me. Usually what happens is following that 15-day period, you would take that data and you would do a data validation, check to make sure that certain things [have] done, and then probably five to 10 days after that it could be submitted.

00:21:48. It could be turned over to various entities --

Mayor Pro Tem: So typically within 20 days, 25 days -- do you know, is there some reason why it's taking two months to get results from Chevron?

Michael Donovan: I can't answer that.

Mayor Pro Tem: So that's a question for them. Okay. In terms of beyond just the particular well, have you seen any plan or has there been any discussion, as far as you're aware, of there being any discussion about extracting the MTBE or looking at ways to get rid of this plume, other than waiting for it to go through drinking water wells?

00:22:25. Michael Donovan: No, I have not. But I have some information. I spoke with the county to gain access to a schedule that they would have implementing with Chevron, and they stated that they're looking for about two months down for the sampling to be complete and have the final report, and then also the on-site cleanup involving dual extraction wells to take place sometime during the spring.

00:22:55. And that process could go on for anywhere from six months to three years, to remove the major plume under the service stations. And then the area outside the service station boundaries, between the boundary and the [Dancehall] wells -- according to the county, it's unlikely that that portion of the plume would get treated, but it would be treated at the [Dancehall] well. So there would be no remedial treatment of that part of the plume.

00:23:26. Mayor Pro Tem: Okay. So if I understand it, whatever they have under their own property, the service station, they would extract -- whatever comes through our drinking water well would be treated, but everything in between would just be left there until it gets into our drinking water well.

Michael Donovan: According to the county, that's highly unlikely, that that portion of the plume would be treated. Correct.

Mayor Pro Tem: And does our staff have a position on that?

00:23:50. Michael Donovan: Well, you know, we'd like to see the entire plume treated because we're concerned that the wells would be contaminated outside the [Dancehall] wells. In addition, we're having to seek our additional wells to the east. Right now we're looking at developing the two easterly wells, so that part of the basin which would be attractive to develop is off-hands at this point.

Mayor Pro Tem: So is there anything that either staff is doing or that we can be doing to convince the county that we need to maybe be a little more aggressive and change their attitude on this?

00:24:25. Michael Donovan: Well, yes, we just started opening up discussions between myself and the county, and I'm working with them and trying to resolve all of these issues.

Mayor Pro Tem: And certainly I'm sure you'll let us know if the council meets to take any action to help persuade the county to be more responsive on that.

Michael Donovan: Will do.

Mayor Pro Tem: Thank you.

00:24:45. Mayor Soto: Thank you, Councilman [Bravabado].

Male Voice: We hired [SOMAS] to be our birddog on this, to watch over Chevron. In your estimation, are they proceeding within a reasonable pace, and is there anything you need this council to do for Chevron to make sure that they stay on track and there's no dragging feet, that you feel that they're going at a reasonable pace within -- and I'm directing it at [SOMAS] here.

00:25:17. Because I understand: three months to do a study, and then you've got to get your permit -- it seems like these can get drawn out longer and longer. Are we on schedule, basically, is what I'm asking.

00:25:35. Michael Donovan: Yes. We're on schedule. Right now we're waiting to see how this treatment system for the [Dancehall] well -- whether it's going to make the timeframe of February '09. Right now Chevron has communicated to us that they have ordered the equipment; they have existing equipment that they are refurbishing, they submitted a preliminary design, and they're going to be doing a 60-percent design.

00:26:05. Everything indicates to me that they are progressing. Could a hiccup occur? Absolutely. I mean, I'm not going to sit here and say that it couldn't get delayed. But right now it appears that it's heading on track.

Male Voice: Thank you.

00:26:26. Mayor Soto: All right. Thank you, Mr. Donovan. Now I believe we have some representatives from Chevron.

00:26:53. Female Voice: Good evening, Mayor and members of the council. I'm going to -- based on the last meeting, there seem to still be some questions regarding the interim remedial action plan, so I put together a few slides to make sure -- just remind folks some of the items in it. Mr. Donovan's done a good job of kind of giving you the details of what we've done during the months, so I thought I would focus a little on [the i-wrap].

00:27:22. So again, a site map, just kind of orientating you as to where we are. Just a reminder that the [IRAP] was submitted in March, and the contents talked about a preliminary site conceptual model, our

remedial objectives, alternative evaluations, and then our proposed [IRAP] which was the proposed treatment at [Dancehall], which is a pre-treatment with green sand.

00:27:47. May 14, Orange County approved the [IRAP], and they said they accepted the design plan and they had no objections with us proceeding with the wellhead treatment as stated. So, again, we talked about doing an SCM, and we would update it as we continue on with our investigations. That, you know, we said that we needed additional data points, which they have agreed, and one work plan has been approved and the other work plan we're anticipating to be approved next week.

00:28:19. Groundwater extraction, which we've talked about with the wellhead treatment, and that the [IRAP] may be part of the cap or all of the cap, but again, we need additional investigations to move forward with that in the schedule, which they agreed. So, again, just breaking out some of the design tasks, we had to determine the operating parameters with [Dancehall].

00:28:41. We had meetings with Southwest Water and the city to understand the groundwater recovery plant. We, you know, needed to understand the equipment. We sampled the water from [Dancehall] and then performed that RSSCT test. We performed the 72-hour aquifer test and part of it is also to talk with the city on the agreements with putting in our treatment. The design status is that the preliminary design report has been approved by the city, or city and Southwest Water have commented on it.

00:29:15. So we're finalizing those changes and modifications suggested. Again, a very rough sketch, just showing how we're going to fit into the groundwater recovery plant as we've agreed with the city. And, again, permitting -- just working with the various agencies and moving forward and getting our permitting. We did meet with Orange County Flood. We're working on the [step set] have been laid out, and the city was there to be part of agreement and understand what was going on.

00:29:48. And so we have procured equipment and we are working on that, as Mr. Donovan mentioned. Steps that will be coming up is to do some work within the groundwater compound to put our equipment, and again, working the procurement and construction statuses that we've procured the equipment so far.

00:30:12. Then the startup tasks, as mentioned in the [IRAP], is to troubleshoot in startup, begin pumping at a low rate and increase to full capacity, optimize the system, work with operators. Startup schedule is 30 days following construction, and we are on-target for February 2009. Additional investigation tasks, as mentioned, are, you know, understanding -- putting in some more wells and then defining the soil at the service station to understand better what's going on there and whether remediation is necessary.

00:30:47. A sensitive receptor survey and utilities survey, as we suggested, was submitted to Orange County. A very busy slide. Just again Mr. Donovan had gone over kind of what the action items were for the month, and then we've labeled with dates when we've met those

targets. So in October we've got, as Mr. Donovan mentioned, some quarterlies.

00:31:12. We're presenting the model to city and Orange County Healthcare Agency next week, finished up some soil investigations. And some additional items that we need to move forward with is once we start up in February we obviously need to monitor, tweak, fine-tune what's going on with the groundwater treatment. We need to track it. And then depending how that works, additional investigations if necessary, based on investigations that we've got coming up, and then once the wellhead is on.

00:31:48. And then modifications -- for instance, if we have to do any remediation at the service station, that would be an additional [IRAP] or part of the cap. So, again, understanding what additional work needs to happen. That's what I've got.

Mayor Soto: Thank you. Can you identify the two wells that you were having problems getting access to?

00:32:11. Female Voice: As Mr. Donovan mentioned, they are MW-13 and MW-14.

Mayor Soto: And the access problems are relative what?

Female Voice: It's regarding the property owner. He's changed his mind on the access, and so we've requested a meeting with them, as per the agreement to

try and understand the change of heart. And so we've requested a meeting. We're waiting for them to respond.

Mayor Soto: How often do you have to have access to those wells?

00:32:39. Female Voice: Those wells, we have to monitor -- 13 and 14 I believe are quarterly, quarterly or monthly. But no more than that at this point.

Mayor Soto: Okay, thank you. Mayor Pro Tem.

Mayor Pro Tem: Same question I asked before. In terms of the testing, why the long lag-time of two months in order to get the results to our engineer of the results of your well samples?

00:33:08. Female Voice: In that particular one, we had some problems with the data. As Mr. Donovan mentioned, once you get the data you do a data-quality check of it. The results were looking funny. The things that you verify to make sure the tests were run correctly were not done, so we had to go back to the lab and get the proper QAQC to balance it out. And so that took longer than necessary.

Mayor Pro Tem: So and going forward the expectation is we should be able to get them in the 25 or 30 days?

00:33:36. Female Voice: Right.

Mayor Pro Tem: Thank you.

- Mayor Soto: All right. Thank you. Any questions, gentlemen? Councilman [Bravabado].
- Male Voice: The property owner you're having a problem with -- are they asking for remuneration to go onto their property or is it just they're afraid of liability or is there . . . You don't know?
- 00:33:56. Female Voice: I don't really actually know the details. I just know that he sent a letter to our counsel requesting that he suspended the access, and that we've asked him to follow the terms of the agreement where we could meet with him and, you know, try and resolve it. So he has yet to respond back.
- Male Voice: Thank you.
- Male Voice: Thank you. Thank you very much.
- Mayor Soto: All right. With that, we will move on to item B-5. Mayor Pro Tem.
- 00:34:25. Mayor Pro Tem: Thank you, Mr. Mayor. At this time we express appreciation for those of our residents who volunteer their time and service to serve on commissions of the council. We have this evening with us Ron Denman from Parks and Recreation Commission, Bill Bonny from our Housing Advisory, Laura [Frieze] from the Housing Advisory, and Ken [Ficklin] from Transportation. Thank you all for your help. Mr. Mayor.

From: John O'Donnell <JOdonnell@sanjuancapistrano.org>
To: Molla, Natasha (NatashaMolla)
Sent: Fri Oct 31 14:43:55 2008
Subject: FW: Chevron/City of SJC MTBE DRAFT Notice of Exemption (NOE) for your consideration

Hi Natasha,

Here's our completed CEQA doc for the GAC.

I look forward to our next meeting.

John G. O'Donnell

Utilities Director

City of San Juan Capistrano

949.433.6361

fax 493.3955

From: Steven Apple
Sent: Friday, October 31, 2008 3:33 PM
To: 'Chris.UzoDiribe@rdmd.ocgov.com'; 'Geoff.Hunt@coco.ocgov.com';
'Mehdi.Sobhami@rdmd.ocgov.com'; 'josephine.alvarez@rdmd.ocgov.com';
'jack.stribling@rdmd.ocgov.com'; 'Guadalupe.Velasquez@rdmd.ocgov.com'
Cc: John O'Donnell; Steven Apple; Eric Bauman
Subject: Chevron/City of SJC MTBE DRAFT Notice of Exemption (NOE) for your consideration

Good afternoon:

On behalf of Utilities Director John O'Donnell and I, please refer to the attached proposed Draft Notice of Exemption (86 KB) and two graphics (920 KB) to help us move forward in the implementation of the MTBE Dance Hall Well Treatment project in the City of San Juan Capistrano. You will note that the project description and NOE should help with the forthcoming encroachment permit, if it hasn't been filed already, as well as any potential subsequent lease or license actions. Please also note that the attached graphics show the proposed project in yellow for illustrative purposes only, noting they will be painted to match and blend in with the existing facilities, and then further screened with vegetation.

If you believe that you may need additional CEQA language to more comfortably rely on the attached Draft

NOE, please feel free to internally coordinate and offer potential augmentations and we will be more than happy to give such language every consideration before we finalize the NOE. We appreciate your assistance and courtesy and thank you in advance for helping us address this important drinking water concern - we are confident that Supervisor Pat Bates will be most appreciative as well.

Most sincerely,

Steven A Apple, AICP

Community Development Director

City of San Juan Capistrano

Email: SApple@sanjuancapistrano.org

City Hall Telephone: (949) 493-1171

(above for use by County Clerk-Recorder's Office only)



NOTICE OF EXEMPTION

city of san juan capistrano, california

1. **APPLICANT:** Chevron, Attn Natasha Molla
2. **ADDRESS:** 145 S. State College Blvd, Suite 400, Brea, CA 92821
3. **PHONE NUMBER:** (714) 671-3537
4. **LEAD AGENCY:** City of San Juan Capistrano
5. **CEQA PROJECT MGR.:** Steven A Apple, Director of Community Development
6. **PROJECT TITLE:** MTBE Dance Hall Well Treatment
7. **DESCRIPTION:** As part of ongoing water quality monitoring, trace amounts of methyl tertiary butyl ether (MTBE) have been detected in the Dance Hall City water well associated with the city ground water recovery plant (GWRP) on Paseo Adelanto, in the City of San Juan Capistrano, CA. MTBE is a compound made from petroleum that gasoline manufacturer's added to car fuels until 2002 when the practice was discontinued. Although some public health Officials say the present amount of MTBE detected is below levels that would pose a threat to public health, others do not concur. Hence, water treatment to remove the MTBE is being actively pursued.

Treatment for the MTBE will consist of running well water through non toxic liquid-phase granular activated carbon (GAC), a proven adsorptive technology for MTBE removal. Four GAC vessels, each with a diameter of approximately 10' and a height of 20', will be vertically mounted in a linear fashion within a rectangular area measuring approximately 14' by 60' 8" adjacent to the southeast corner of the existing water treatment plant, supported by approximately 42' deep pilings. Although this rectangular shaped area is to be leased to Chevron from the County, this area is presently leased to the City from the County, with the balance of the treatment / project to be confined to the existing GWRP. An additional greensand filtration tank with a diameter of approximately 10' and a length of 40' will be added in a horizontal position within an existing open bay previously designed as an expansion / redundant option. Additional piping to connect the vessels is also required. As the existing significantly larger GWRP presently exists at this location, tanks, piping, fencing, choice of colors and any potentially smaller ancillary accessories are selected to match and blend in with the existing facilities. Landscaping is also envisioned immediately adjacent and to the south of the rectangular area to further screen the view of the GAC vessels.

ADMINISTRATIVE DETERMINATION: Planning Department staff has completed a preliminary review of this project in accordance with the City of San Juan Capistrano's Environmental Review Guidelines and with Section 15061 of the California Environmental Quality Act (CEQA) Guidelines. Based on that review, the Director of Community Development in consultation with the Environmental Administrator finds that the proposed project (1) constitutes an emergency project pursuant to Section 15269 (b) as an emergency repair to publicly owned serviced facilities necessary to maintain service essential to the public health, safety or welfare ; (2) is a Class 1 Existing Facilities that pursuant to Section 15301 (f) proposes the addition of safety or

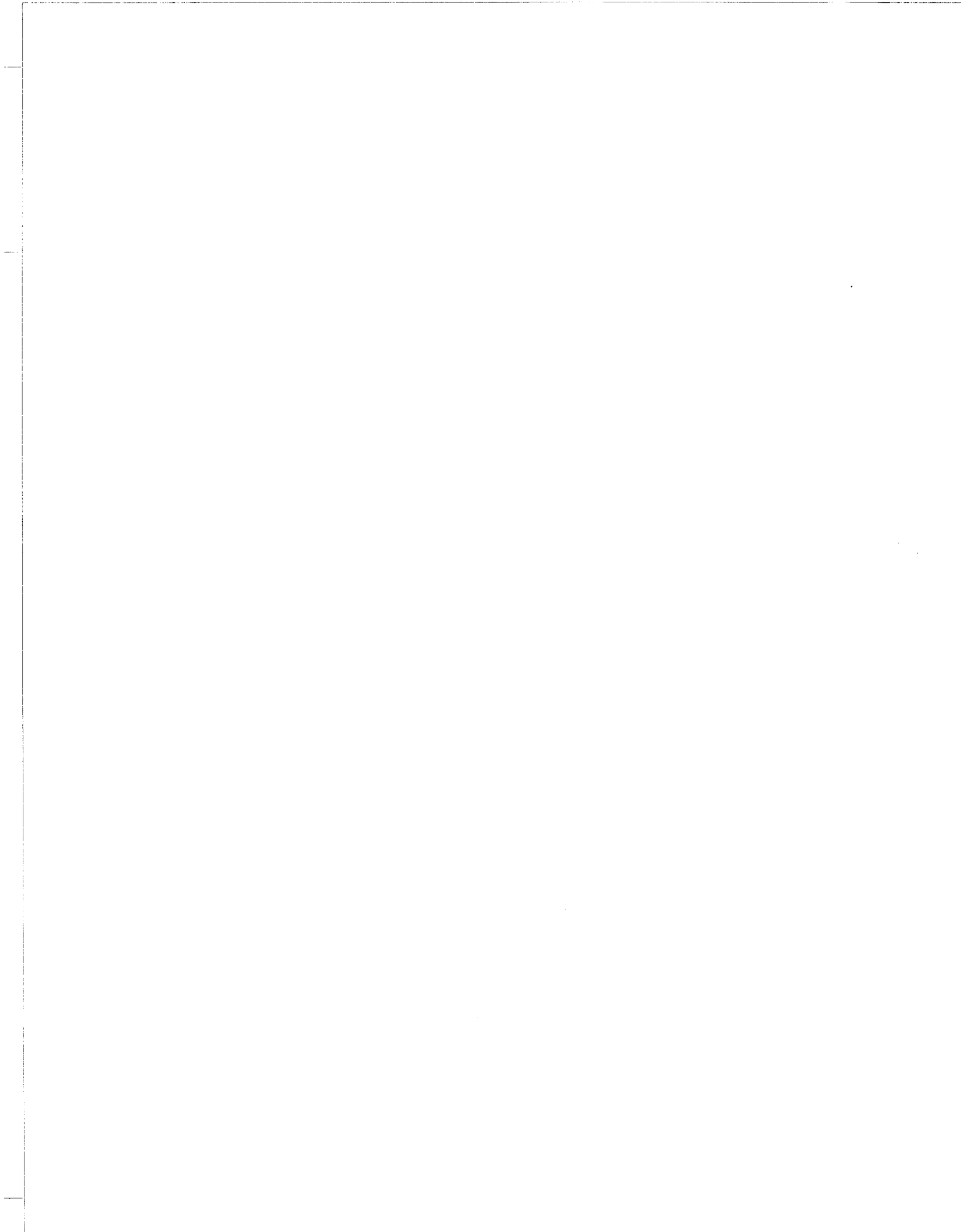
health protection devices for use during construction or in conjunction with existing structures, facilities, or mechanical equipment or topographical features including navigational devices; and (3) is a Class 30 Minor Action to Prevent, Minimize, Stabilize, Mitigate or Eliminate the Release or Threat of Release of Hazardous Waste or Hazardous Substance pursuant to Section 15330 b.9. proposing the construction of interim or emergency ground water treatment systems for a small or medium removal action costing \$1 million or less.

Therefore, the Director of Community Development in consultation with Environmental Administrator has determined that further environmental evaluation is not required because:

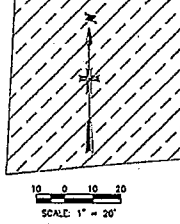
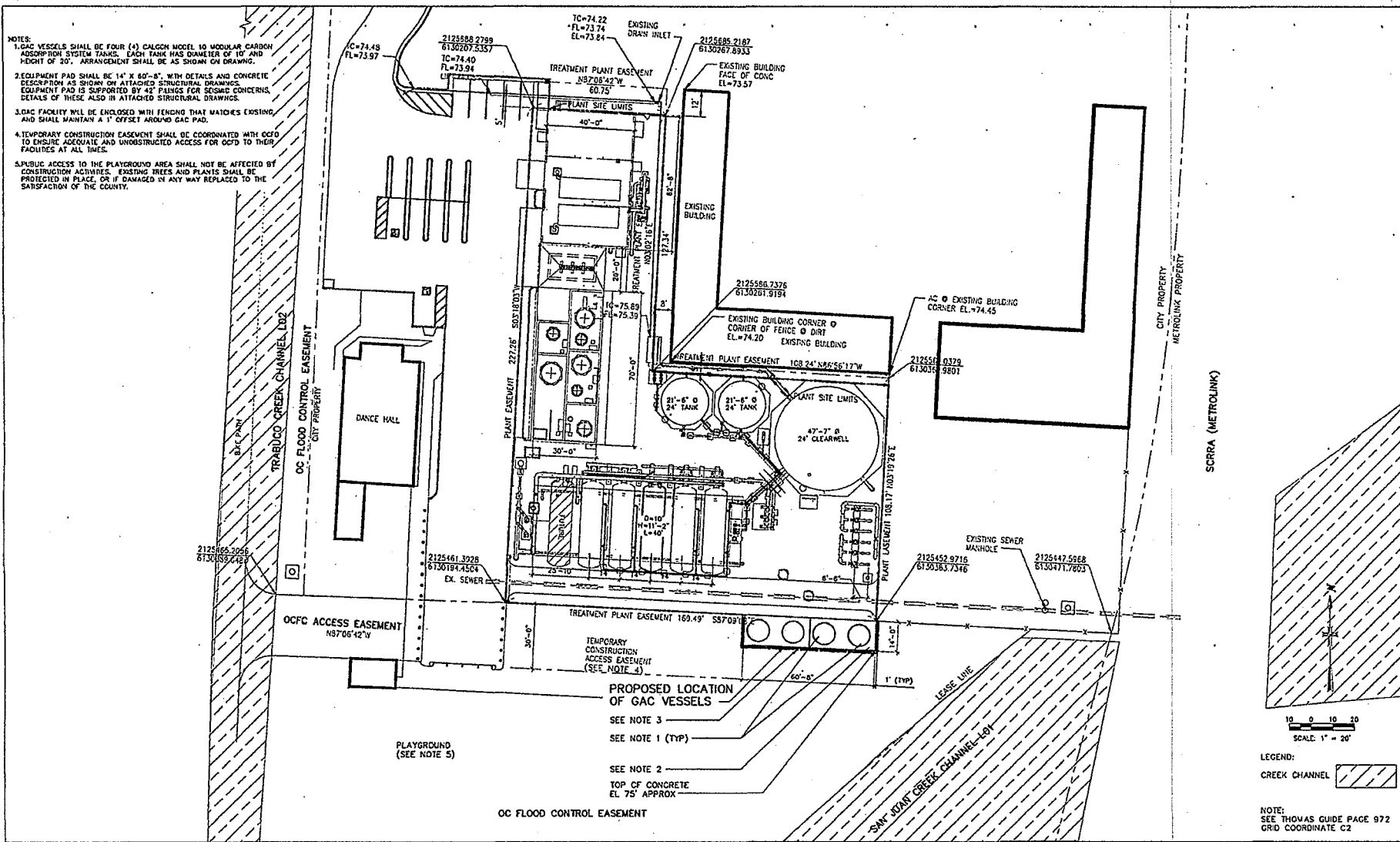
- "The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA"* (Section 15061(b)(3)); or,
- The project is statutorily exempt, Section 15269(b), Emergency projects because the proposed project constitutes an emergency repair to publicly-owned and operated water service facilities necessary to maintain water service essential to the public health, safety and welfare, and
- The project is categorically exempt, Class 1 Existing Facility, Section 15301 (f), and
- The project is categorically exempt, Class 30 Minor Action to Prevent, Minimize, Stabilize, Mitigate or Eliminate the Release or Threat of Release of Hazardous Waste or Hazardous Substance, Section 15330 b. 9, or
- The project does not constitute a "project" as defined by CEQA (Section 15378).

Steven A Apple, AICP, Director of Community Development

cc: project file CEQA file County Clerk



- NOTES:
1. GAC VESSELS SHALL BE FOUR (4) CALCON MODEL 10 MODULAR CARBON ADSORPTION SYSTEM TANKS. EACH TANK HAS DIAMETER OF 10' AND HEIGHT OF 20'. ARRANGEMENT SHALL BE AS SHOWN ON DRAWING.
 2. EQUIPMENT PAD SHALL BE 14' X 60'-8" WITH DETAILS AND CONCRETE DESCRIPTION AS SHOWN ON ATTACHED STRUCTURAL DRAWINGS. EQUIPMENT PAD IS SUPPORTED BY 42" PILING FOR SOFT SOIL CONCERN. DETAILS OF THESE ALSO IN ATTACHED STRUCTURAL DRAWINGS.
 3. GAC FACILITY WILL BE ENCLOSED WITH FENCING THAT MATCHES EXISTING AND SHALL MAINTAIN A 1' OFFSET AROUND GAC PAD.
 4. TEMPORARY CONSTRUCTION EASEMENT SHALL BE COORDINATED WITH OCFO TO ENSURE ADEQUATE AND UNOBSTRUCTED ACCESS FOR OCFO TO THEIR FACILITIES AT ALL TIMES.
 5. PUBLIC ACCESS TO THE PLAYGROUND AREA SHALL NOT BE AFFECTED BY CONSTRUCTION ACTIVITIES. EXISTING TREES AND PLANTS SHALL BE PROTECTED IN PLACE, OR IF DAMAGED IN ANY WAY REPLACED TO THE SATISFACTION OF THE COUNTY.



LEGEND:
 CREEK CHANNEL

NOTE:
 SEE THOMAS GUIDE PAGE 972
 GRID COORDINATE C2

MALCOLM PIRNIE, INC. 15000 BAYVIEW BLVD. SUITE 100, BAYVIEW, CA 94026-3443
 TEL: (415) 351-1000 FAX: (415) 351-1001
 WWW.MALCOLMPIRNIE.COM

MALCOLM PIRNIE

NO.	BY	DATE	REVISIONS

CHEVRON / SAN JUAN CAPISTRANO CALIFORNIA
 MTBE DESIGN

PRELIMINARY DESIGN
 PROPERTY MAP
 FIGURE 2

DATE: SEPTEMBER 2008
 SHEET: _____ OF _____
 CAD REF. NO. _____

MINUTES
July 22, 2008
Regular Meeting
City of San Juan Capistrano
Water Advisory Commission

CALL TO ORDER:

8:00 a.m. in the City Council Chambers.

ROLL CALL:

COMMISSIONERS PRESENT: Vice Chairman Dan Merkle, Alan Freisleben, and Lee Goode.

COMMISSIONERS ABSENT: Chairman Tom Lytle

STAFF PRESENT: Cindy Russell, Assistant City Manager; John O'Donnell, Utility Director, Eric Bauman, Water Engineering Manager, Francie Kennedy, Water Conservation Coordinator; Ziad Mazboudi, Public Works Sr. Civil Engineer, Michelle Perea, Commission Secretary; and Christine Casper, Administrative Specialist.

ORAL COMMUNICATIONS: None

ITEMS RECEIVED TOO LATE TO BE AGENDIZED: None

CONSENT CALENDAR:

Item No. 1: Approve Regular Meeting minutes of June 24, 2008

Commission Action

Moved by Commissioner Goode, seconded by Commissioner Freisleben, and carried unanimously, 3-0, to approve Item No. 1.

AGENDA ITEMS:

Item No. 2 Consideration of MTBE Update (Discussion Item – No written report)

Michael Donavon, Psomas, presented a status update on both Chevron MTBE locations and the proposed future treatment to the Dance Hall Well. Mr. Donavon also updated the Commission on the Kinoshita Farm underground storage tanks project.

Natasha Molla, Chevron, provided a status update of the MTBE issues and was available to answer any questions. Vice Chairman Dan Merkle inquired when the final action plan would be completed. Ms. Molla stated that the Orange County Health Care Agency (OCHCA) has approved the Interim Remedial Action Plan (IRAP) and Chevron is currently in the testing phase for a site conceptual model. The green sand filters that may be used in the treatment at the Dance Hall Well are estimated to be constructed in four months. Chevron is continuing to meet with the City, PSOMAS, SouthWest Water and the Department of Public Health.

MINUTES
July 22, 2008
Regular Meeting
City of San Juan Capistrano
Water Advisory Commission

Commissioner Freisleben stated that he was very concerned about the high levels of MTBE in the groundwater near DeNault's. He was also concerned as to where the groundwater that is flowing from this area will later be treated. Ms. Molla could not state at this time where the water is flowing, or how it will be treated.

Commissioner Merkle inquired about plans for the water that has gone past the Dance Hall Well, untreated. Ms. Molla responded that if the Dance Hall Well is not operational, the water will not move as rapidly since it will not be drawn in by the well. Chevron has a work plan in place that is going out on August 8, 2008, that refers to additional delineation of the water near the Dance Hall Well. Commissioner Merkle asked if the City is monitoring the other wells downstream of the Dance Hall Well. Ms. Molla said that to her knowledge, no one is currently monitoring them. Eric Bauman, Water Engineering Manager, said that the City can arrange access to have samples taken. Ms. Molla stated that Chevron was waiting for the Groundwater Recovery Plant (the Plant) to be turned on to begin sampling. As the GWRP turn-on date was delayed, sampling has not yet occurred. John O'Donnell, Utility Director, said that the City will take a proactive measure and start monitoring the wells downstream.

Commissioner Merkle asked if Ms. Molla would find out when the sampling results are reported to the City, and he requested of staff that the Commission be apprised of the results.

Cindy Russell informed the Commission that she met yesterday with the Assistant Planning Director regarding the planning and engineering tasks (regarding the MTBE well treatment facility) that will need to occur before treatment is implemented. The City has made this project a high priority in order to coordinate with Chevron. The City is waiting for Chevron to provide information on sites they looked at yesterday in order evaluate and process.

Cindy Russell introduced John O'Donnell, the new Utility Director. She also stated he will become the Secretary for the Commission. The Commission thanked Cindy Russell for her service and all of her assistance. John O'Donnell spoke to the Commission about his background and his hopes for the future at the City. The Commission welcomed him.

Item No. 3 Consideration of an Ordinance Establishing Chapter 12 of Title 6 of the San Juan Capistrano Municipal Code pertaining to Water Conservation.

Written Communication: Staff report dated July 22, 2008, by Cindy Russell, Assistant City Manager. Staff recommendation: "By motion; Receive and File."

Presentation and Discussion: Francie Kennedy, Water Conservation Manager, reviewed the staff report and was available to answer any questions.

MINUTES
July 22, 2008
Regular Meeting
City of San Juan Capistrano
Water Advisory Commission

Fred Soroushian and Zeynep Erdal of CH2M Hill gave a presentation regarding the J. B. Latham Advanced Wastewater Treatment Plant and were available to answer questions. The most recent findings concluded that the membrane technology succeeded over the cloth media technology. Lee Goode asked if the two pilot sites were simultaneously performed side by side. Ms. Erdal stated that they were, and the membrane test had the highest quality results.

Commission Action:

Moved by Commissioner Freisleben, seconded by Commissioner Goode, and carried unanimously, 3-0, to approve Item No. 3

COMMISSION/STAFF REMARKS:

Cindy Russell reported that the City will be sending out letters to residents about the startup of the GRWP.

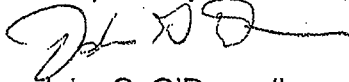
Michelle Perea announced that there will be a joint meeting with the Commission and the City Council on August 28, 2008, at 5:00 p.m.

Commissioner Goode asked for an update on the fine imposed on the City by the San Diego Board of SOCWA. Cindy Russell said that the fine was \$6,000.00 for the City of San Juan Capistrano. It is her understanding that the City will appeal this fine. Eric Bauman stated that the fine was for testing/reporting violations. The total fine to all agencies on the notice is approximately \$120,000.00 to \$140,000.00. Commissioner Goode asked if it would cost more money to fight the violation than to just pay the fine. Eric Bauman stated that the staff time to work on an appeal would cost less than \$6,000.00.

ADJOURNMENT:

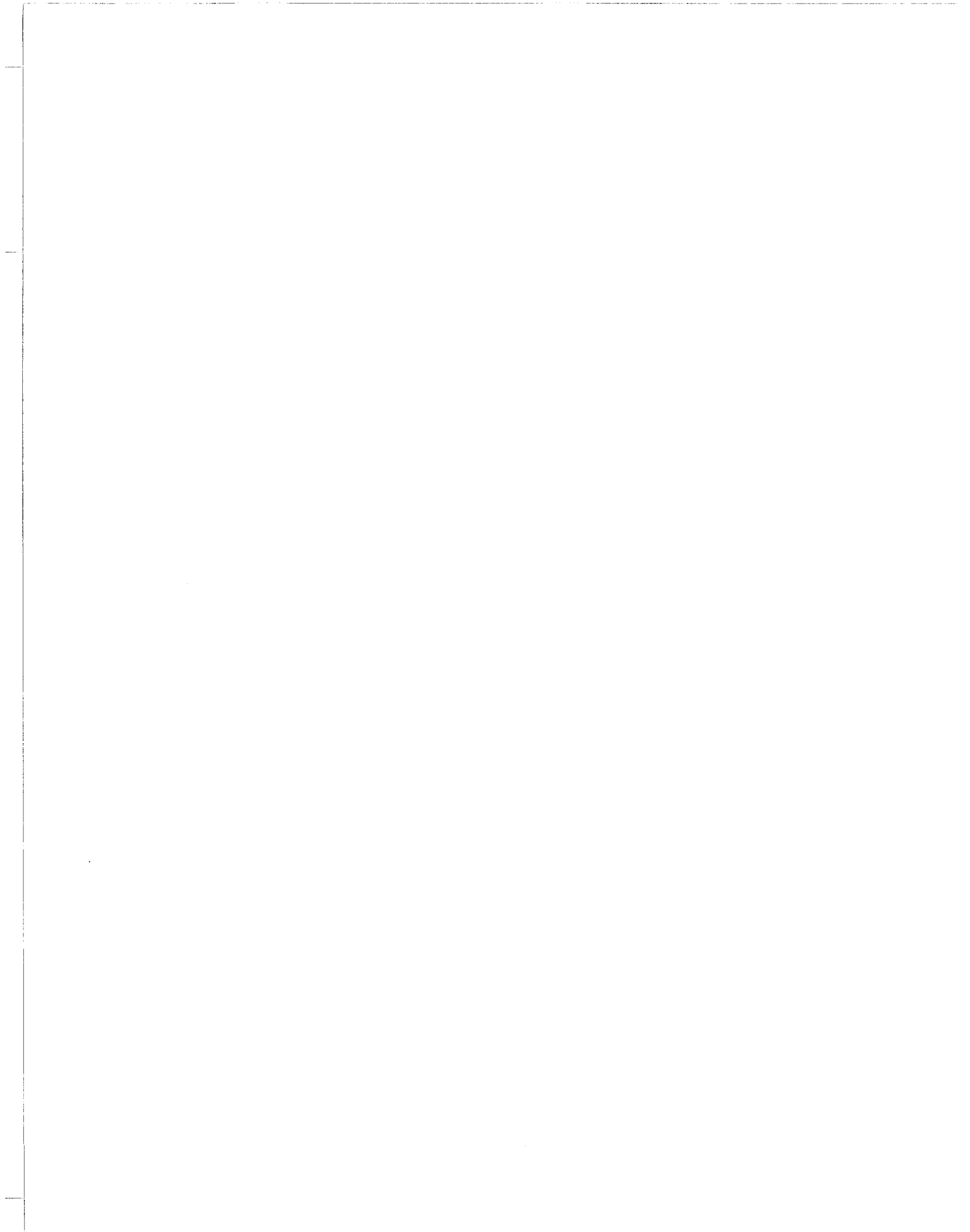
Being that there was no further business to discuss, the Water Advisory Commission adjourned at 9:55 a.m. to the Regular Meeting of Tuesday, August 26, 2008, at 8:00 a.m. in the City Hall Council Chamber.

Respectfully submitted,


John G. O'Donnell
Commission Secretary

Prepared by


Christine Casper
Administrative Specialist



WAC 7.22.08 Meeting



Tigerfish[®]
Transcribing·Editing

203 Columbus Avenue · San Francisco 94133
toll-free 877-TIGERFISH

www.tigerfish.com

Lee Goode: I move we approve them.

Alan Freisleben: Second.

Dan Merkle: So moved and seconded. Those in favor?

Lee Goode: Aye.

Alan Freisleben: Aye.

Dan Merkle: Aye. So passed. Next agenda item is item number two, which is the MTBE update. What are we doing there today?

Michael Donovan: Good morning. I'm Michael Donovan, senior hydrogeologist with PSOMAS. Update from the last meeting, June 24th. As you are aware, Chevron has two sites in the city of San Juan that have had a release of gasoline, including components of MTBE. The closest one to the Dance Hall well is a Chevron service station located at Camino Capistrano. And they have done investigations. The dance hall well has been impacted with MTBE, and Chevron has done investigations with respect to that. To date, Chevron has continued what's called a rapid scale column test to determine the types of carbon that would be used in a granulated activated carbon treatment system that is proposed for the Dance Hall well. And that test, as I understand it, is still continuing. That sample was collected from the April aquifer test study, and I have not heard anything with respect to what the status of that test is.

Chevron also has been involved in installing transducers. The GRP, the groundwater recovery plant, has been down since approximately January, January-February time frame. And they're taking the opportunity that it's getting ready to come up to start production, and they want to see the response on selected production wells and other wells within the basin as part of their planning purposes for the treatment system. And they have installed transducers in selected wells, both for the Camino Capistrano and Ortega station properties as well as some of the groundwater production wells.

In the week of June 23rd, they did a second quarterly monitoring for the Camino Capistrano vent, and that report should be coming out in late July. On July 1st, I gave an update to the City Council with respect to the MTBE, and on July 14th, Chevron and its consultants met with the city engineers to discuss permits needed for the treatment system for the Dance Hall well. On July 17th, Chevron submitted a work plan for the vertical and horizontal extent of soil in the service station. It did not include groundwater. I've had discussions with the Orange County Health Care Agency and I'm still reviewing this work plan. And it seems like it was limited only to soil at the site, at the station, but not groundwater.

Yesterday, July 21st, we had a meeting with Chevron in the proposed location of the treatment system for the Dance Hall well in and around the existing groundwater recovery plant, and we came up with a list of preferred options that are going to be evaluated as far as where they.

could be positioned and obviously to go to the planning commission and make sure it's compatible with the current standards.

Things being proposed by Chevron: this week Chevron is going to sample the groundwater wells that are located in proximity to the Dance Hall well. There are well clusters MW15 and MW16. They're being required by Orange County Health Care Agency to do this on a monthly basis. On the week of the 28th, they will submit a comprehensive sensitive receptor survey and well conduit study that was indicated in their IRAP that they were going to complete. And then on the week on July 28th, they're going to submit the CPT investigation report, which is all the work that they had done in and around this Dance Hall to define the vertical and lateral extent of contamination that hadn't been done on the previous wells. And then on August 8th, Chevron has proposed that they're going to submit a work plan to determine the vertical and horizontal extent of MTB cross and down gradient of the Dance Hall well and see to what extent the plume has migrated down gradient.

As far as the Dance Hall well head treatment system, Malcolm Pirnie commenced design of the system in July 2008, and they have estimated that they'll be complete with design in October of 2000. Construction will occur between 2008 and February 2009, with startup in February 2009. Now, this is preliminary. They're still in the process of designing the system, and some of the procurement -- to give you an idea, I heard estimates yesterday that just to acquire one particular unit, it'll take four months to acquire to put in after they submit. And

they're trying to see if they can't submit that design within the next couple weeks.

The Ortega station, located on the corner of Ortega Highway and Double Obispo, most of the activities have been limited with respect because they were still getting access and completing access. They had completed access agreements with the property owners, but they were still -- last I had heard, they were still negotiating with the tenants. Chevron, as I indicated, installed transducers in selected wells around the Ortega station property in anticipation of the restart of the city's GRP system to see how these wells will respond to any wells in proximity. On July 11th, Chevron submitted the second quarter 2008 groundwater monitoring and sampling report for the existing wells that are located on and adjacent to the station. And as I indicated, they're still negotiating, and as soon as they obtain access, they will conduct the additional investigations.

The Kinoshita well. The UST removal report has been finalized and is being prepared for submittal to the Orange County Health Care Agency. We anticipate that the preparation of a work plan for continued investigation of the contaminants in the soil and groundwater. I've discussed with Orange County Health Care Agency that we're going to move fairly quickly and that we'll probably be submitting a work plan following right pretty quick after the submittal of the report. And we are still continuing to review potential water treatment alternatives for the Kinoshita well and currently are trying to get a bench-scale pilot test of one of the alternatives in July-August time frame. And that is it. If you have any questions....

Male Voice: Has there still been no -- what are the plans for more test wells on the Ortega site?

Michael Donovan: The current plans are to do what's called CPT, cone penetrometer, which is to get soil and groundwater samples. After they do that, my understanding is that they will follow with wells after they find out what the configuration of the plume is. They have not stated specifically where those wells would be located.

Male Voice: There's still been no plans for a test well on the east side of the freeway?

Michael Donovan: Not that I'm aware of.

Male Voice: Because looking at the ground geology and everything, it appears that that flow is going to be in the way towards the Tirador well.

Michael Donovan: What they have done so far -- and I haven't seen all the results of their activities, but if you look at this figure, the last detections that I recall were up in here, and what it appears -- and again, they haven't done all the investigations yet -- is that there's an elongated plume that's coming off in this direction. Now, whether it might be following along any kinds of conduits, there is an old -- there's an existing storm drain that passes from the school here, passes under the freeway, and then goes over and passes to the east of the Tirador well. And whether that could be a preferential pathway, I don't know, because it hasn't been investigated.

- Michelle Perea: Just a reminder, use your microphones.
- Male Voice: It's on. Okay.
- Dan Merkle: The question is, the activities that are being described in the plans for actually getting something to be treated in the Dance Hall well by February '09 is really addressing the interim report tasks, is that correct?
- Michael Donovan: That is correct.
- Dan Merkle: Okay, where are we at with a final report or the scope of work or investigation necessary to come up with a final report?
- Michael Donovan: They haven't seen anything. And they're supposed to be developing a conceptual model, and I think that from Chevron's standpoint, it's hoping that the Dance Hall well will be a final action, meaning that it will be a final determination. But I haven't seen any evaluation from that particular standpoint.
- Dan Merkle: Well, as we all know, hope is not a strategy, so that's probably not what we're looking for here as a solution to this. Ms. Molla, can you give us an update on where Chevron is with pursuing and investigating a final plan? Could you do that for us?
- Natasha Molla: Good morning. I also have some slides. Do you want to see the slides first? Okay. I have copies here if you need those. Okay, so let me go

through the slides here. So just to, again, reorient where you are, we've got the Ortega site and then we've got the Camino Capistrano site, and then showing where the city's GWRP wells are located. As mentioned, we did have an IRAP approved and they didn't have any problems with us proceeding with the well head treatment at Dance Hall.

So there were some questions last time about what things that the IRAP was not approved, and so what I did is I bulleted out some of the things that we talked about that we would do in our IRAP and then Orange County's comments to those and so you can look at those at your leisure to see what things we proposed and what they had agreed to do. And so they are concurrent that we move forward with groundwater extraction at Dance Hall, that we collect additional data, that we continue to develop our site conceptual model, and we gave them a rough schedule, which they accepted.

So this is a busy kind of implementation schedule, just showing you what our plans are for each month in getting towards Dance Hall being turned on in February. So as you can see, this month there's quite a few meetings with City, Southwest Water, and then as Mr. Donovan had mentioned, we've got quite a few documents that we've been turning in as far as work done, work planned. And as we're working on our design, we're meeting with the City to understand where we put our plant, where we put our canisters, so we can complete the design. So kind of what we're hoping to do next month is continue on our dialogue with City staff and different departments, with Southwest Water, with Department of Public Health.

We are in the process of designing -- Mr. Donovan had mentioned that we've got a piece of equipment that takes four months. It's the same piece of equipment that took four months for you guys. It's the green sand filter. So it can't be designed any faster; it's going to be the same exact specs as your green sand filter. So that does take a while, so we're just finalizing that to get that starting to be built while we continue to complete the design. And then just ongoing with meetings, trying to get things wrapped up so we can complete the design and finish construction and implementation.

So just kind of our key decision points, hurdles that we need to get through, is planning and engineering, and we've met twice now with members of City staff in those areas. We are setting up a meeting with Department of Public Health for the next couple weeks to understand how that permit is affect. Clearly, lots of communication with Southwest Water, trying to work around the plant. So we feel good that we've got good dialogue. Everybody's in sync in understanding what we want to do and understanding what people's concerns are, so we should be able to move forward efficiently on that.

So this figure here just shows you kind of all the areas that we've done investigations and just kind of the different types. So yes, Ortega Highway hasn't been as developed, as we have focused on the other site. So just kind of showing you groundwater results for the site off Camino Capistrano, here are -- this is 6-19 data and then a little bit older data here, just showing you the different depths. So we have wells screened at -- we call them A wells, B wells, and C wells; they have different depths at which they're screened. So these are the

concentrations, and D means "not detected above detection levels." So this is just to show you the concentrations that we have.

And then a very busy figure just showing you the latest round of work of drilling that we're going to be submitting a document on, but again, showing you not detected and then the depth, or what the detections were of MTBE with depth. So again, this is to help with our site conceptual model. This is to help define the plume better, again, for final remediation alternatives and fine-tuning our interim remedial alternatives. And then this location here is still pending.

For the other site on Ortega Highway, this is kind of the latest results of the groundwater, so you can see that kind of here by Orange County Fire Authority, which we kind of assumed the direction, we didn't get any detections. Our detections tend to be right here on Mr. DeNault's property. And then we've got some hits kind of away from the sites, which is what we see on the other site, and then what's kind of currently by the site. So we do have access on these two properties, so we can hopefully close the gap on this direction. We are very close to getting access on this property, so as soon as we get that, we've got some locations here mapped out that as soon as we get that access, we'll get in and get going on that.

So once we get this area delineated, then we can go back and put those wells in that you were asking about. So what we needed to understand is what direction we were flowing, whether we needed to focus down here towards Orange County Fire Authority or we needed to focus at Ralph's. So we'll have that information hopefully soon.

And so that's it. So with respect to final remediation, again, everything we're doing is heading that way. We need to implement the interim to see how effective that is. We need to finish delineating kind of in those periphery areas to understand what it is the final needs to look like. So everything we're doing is towards that, but we do not have a document yet that states that, where we're going.

Dan Merkle: Gentlemen?

Male Voice: Yes. On this -- going back to the Ortega well, or to the Ortega station. These are the levels here, so we have some very high levels in that area, particularly down around DeNault?

Natasha Molla: It's highest. It's the highest that we've found.

Male Voice: 110?

Natasha Molla: Right. But what's a little different about this versus like if you look at - this is data we collected at one point in time with drilling, so putting a groundwater well in will have slightly different data. So it could vary. But just a moment in time, that's what it looked like. So yeah, that's currently where we have our highest concentrations.

Male Voice: This is higher than we found on the --

Natasha Molla: It's actually kind of in line if you look at the other site and kind of look at the distance away from the station. It's similar.

Male Voice: Have you found anything that far up? I thought it was all down one-two range.

Natasha Molla: Let me flip back here. If you looked at -- this is groundwater well data as opposed to the CPT data, and I can send that to you, maybe a comparison to show you, but I think it's similar. It's not out of line with what we had found at the other site.

Male Voice: Okay.

Alan Freisleben: If this -- we don't have an overall map, but if this flow keeps going from Ralph's toward the --

Natasha Molla: Oh, that's not the one I wanted. Sorry. How about that one?

Alan Freisleben: If it keeps heading down the street, where does it eventually hit from this 93417, where we're hitting all the hot spots?

Natasha Molla: Right. Well, this site is going this way, towards Dance Hall. So that's 93417. So we do have, we can map out points that show that we have hits to Dance Hall. The Ortega site is a little bit more unknown. We have data to just right about there, so is it then hanging this way? I don't know. So that's why hopefully Ralph's, when we drill on Ralph's, that'll give us an idea of which way it's going. It kind of tends to be right now a long, narrow plume. So it's hard to say what directions it's going, so we're hopeful that with Ralph's we'll get better delineation as to which direction it's going.

Alan Freisleben: Where do you end up treating it at, where it is now or someplace else?

Natasha Molla: I don't have an answer to that, to be honest.

Alan Freisleben: These levels seem pretty significant.

Natasha Molla: Yeah, I guess it depends on how long the plume is. If it doesn't seem to be going anywhere -- if it's heading off in a different direction than Tirador, well, then we would have to look at locations in that area or possibly kind of somewhere closer to the station. It's hard to say. It just really depends on where the end of it is.

Alan Freisleben: Because the readings on B10 and B18 -- like I said, at the wrong station, 98719 -- are pretty significant at relatively shallow depths.

Natasha Molla: Right. And so --

Alan Freisleben: 60, 310, 130.

Natasha Molla: MTB is typically not a sinker; it will stay on top of the water. And so in the case of 3417, you can see that it kind of went down with depth closer to Dance Hall, and that was the effect of Dance Hall on it. So if there's no effect of what's off of 8719, the water will not dive with depth, it'll stay on top.

Alan Freisleben: And I understand that conceptually, but I was reading Mr. Herzog's magnum opus here, and it seems that watchful waiting has got us to

our present position. We've been watchfully waiting since 1988, which is not all of Chevron's responsibility. There's a variety of factors that apparently contributed to this. But now we're sitting here, and I have a real logic problem with Mr. Herzog's observation that it is important to note that other wells associated with a GWRP Capistrano Valley San Juan Basin, several wells there, may become potential sensitive receptors if the Dance Hall well remains off, allowing MTBE plumes to migrate beyond the groundwater capture zone of the Dance Hall well. So now it's our fault if the MTBE keeps migrating. And I have a logic problem with watchful waiting. I don't find in my real life that it ever does much good. It appears to have caused a problem here. So I would at this point rather be proactive than reactive.

Natasha Molla: I think we are trying to be proactive, it's just unfortunately getting access takes -- we don't have control of the whole situation, so we have to work with other parties.

Alan Freisleben: But apparently the chickens have now come home to roost, and 2008's the year to do it. It's been 20 years, so one more year and it'll be [boating] or whatever, so we need to do something now. And I understand you're working toward that, but that's just my observation, that we need to actually come up with a plan and execute it. And on both sides, because I'm very disturbed by this. I shop at DeNault's and Ralph's and City Bank, and maybe I should be wearing booties when I go over there or something. I mean, these are really high numbers.

Natasha Molla: Well, it's in the groundwater, so it's not any danger to the public walking around shopping at -- I didn't get to finish my comment, but what I meant was at Ralph's or at DeNault's. There's no issue with that.

Alan Freisleben: And I appreciate you're the point person, and I don't mean to be hammering on you, but there's other people in the back I see regularly, so I can hammer on them, too.

Male Voice: I apologize, but that's the most ludicrous statement I've ever heard in my life, that it's in the groundwater so it poses no threat to the public? I mean, come on.

Natasha Molla: If you're shopping at DeNault's, you're not in contact with the groundwater. That's my comment, what I was trying to make, was I don't want people to be unnecessarily panicked going into DeNault's because of something that's 30-40 feet below ground.

Dan Merkle: Okay. A couple questions I've got. Alan brings up a good point here, and that is, while we're waiting to be doing something that might be installed in February of next year, what is happening to all that water with MTBE in it that's going past Dance Hall now, and what is the plan to mitigate that or define that or treat that?

Natasha Molla: We have a work plan to try and define it that will be submitted here in the next few weeks to a month, according to the schedule. And once we understand what's gone past -- if Dance Hall's not pumping, water's obviously not moving at the speed it would if Dance Hall was pulling it. So you've got water moving more at its normal, natural state, which