California Regional Water Quality Control Board

Central Coast Region

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

Linda S. Adams
Secretary for Environmental Protection

Arnold Schwarzenegger
Governor

September 25, 2006

Mr. Richard W. McClure
Olin Corporation
Environmental Remediation Group
P.O. Box 248
Charleston, TN 37310-0248

Dear Mr. McClure:

SLIC: 425 TENNANT AVE, MORGAN HILL; RESCISSION OF 13267 ORDER

This letter rescinds the Central Coast Water Board's December 8, 2004 Order Requiring Investigation of Northeast Flow, issued to Olin Corporation and Standard Fusee Corporation for 425 Tennant Avenue, Morgan Hill (13267 Order). This rescission is without prejudice. The 13267 Order has been subject to a conditional stay (Stay) since February 10, 2005. Olin filed a State Water Resources Control Board (State Water Board) petition of the 13267 Order, which is being held in abeyance. Given the rescission, that petition is now moot, and we request that you notify the State Water Board (attn: Elizabeth Miller Jennings) accordingly.

The Central Coast Water Board is rescinding the Stay at this time because we have determined that Olin has satisfactorily complied with all of the conditions of the Stay. The only remaining task addressed by the Stay is completion of a forensic investigation. As explained in Item No. 5 of the Stay, "...the [Water District's] forensic investigation will be conducted over a wide area and will include most of Morgan Hill and some unincorporated areas to the north and south of Morgan Hill including areas northeast of the Site..." The Water District has secured federal funding to undertake the basin-wide forensic investigation and is on track towards completing the investigation by late 2007. Considering the Water District's progress and its comprehensiveness, the 13267 Order is hereby rescinded without prejudice. "Without prejudice" means that the Central Coast Water Board may issue new requirements to Olin requiring the same work described in the rescinded 13267 Order, any related work or any other investigation that may be necessary to complete the investigation and cleanup of the Site. Nothing in this letter affects any other outstanding requirements in any other directive under section 13267, including our July 24, 2006 letter concerning Olin's first quarter 2006 groundwater monitoring report.

We take this opportunity to clarify the Central Coast Water Board's position associated with Olin's claims of non-responsibility for perchlorate concentrations detected northeast of the Site. While we understand that the Water District's forensic investigation may not provide definitive results, we trust it will provide additional data that are likely to be relevant to any further proceedings related to the source of perchlorate northeast of the Site. Notwithstanding the results of the Water District's forensic investigation, it remains Olin's responsibility to provide evidence (data) to support its contention that the perchlorate concentrations detected northeast of the Site are not attributed to the former Olin Site. The available evidence (as defined in Water Code section 13267(e)) is adequate to require Olin to continue to investigate the northeast area as a discharger or suspected discharger. Furthermore, should the Water District's forensic investigation be delayed or discontinued, the Central Coast Water Board will require Olin to complete a forensic investigation.

We aim to continue working closely with you to ensure all presently required characterization activities immediately north of Tennant Avenue and east of the Site are adequately implemented. Should you have any questions, please contact **Hector Hernandez at: (805) 542-4641** or via e-mail at: Hhernandez@waterboards.ca.gov, or Eric Gobler at (805) 549-3467.

Sincerely,

Roger W. Briggs
Executive Officer
S:\SLIC\Regulated Sites\Santa Clara Co\OLIN Corp\Water Board\Petitions\STAY\Stay Rescission.DOC

cc via e-mail:
Ms. Lori Okun
Office of the Chief Counsel
State Water Resources Control Board

Olin Technical Contacts IPL

cc via U.S. Mail:

Olin Correspondence IPL