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VIA: E-MAIL and US MAIL

September 22, 2005

Roger W. Briggs
Executive Officer
California Regional Water Quality Control Board
Central Coast Region
895 Aerovista Place, Suite 101
San Luis Obispo, California 93401-5411

**Subject: Response to Notice of Violation
Morgan Hill, California**

Dear Mr. Briggs:

We are disappointed that the Regional Board (Board) elected to issue a Notice of Violation pertaining to certain elements of the Stay, particularly since the data submitted demonstrate there is no nexus between the Olin site and the City of Morgan Hill's Nordstrom well, which is an assumed basis for the December 8, 2004 order. This letter highlights four issues relative to the performance of work pursuant to the subject order and Stay: 1) Board staff was aware of, and contributed to, delays during progress of the work, 2) Board staff was repeatedly made aware of Olin's planned data submission dates as part of discussions where Olin agreed to perform additional work, yet the Board never issued a concern or documented an objection to a change in submittal dates, 3) Olin worked diligently and continuously to expeditiously complete not only work envisioned at the time the stay was negotiated, but additional work at the Board's request, and 4) the northeast groundwater data submittal contains laboratory analytical data and complies with the terms of the Stay.

Following submittal of the Northeast Groundwater Sampling Work Plan (NGSWP) on February 4, 2005, the Board provided comments on February 7, February 15 and again on March 11, inconsistent with the 15 day response time required by the Stay. On March 28, when approval for the NGSWP was received, the Board required that domestic wells be sampled with the piezometers to present a "snap shot" of potential perchlorate northeast of the Site; a requirement that necessitated a Board-mandated delay in sampling the domestic wells pending completion of new piezometers. Despite this requirement, the Board's approval neglected to address the schedule impact and restated the original dates listed in the Stay. Similarly, the subsequent approval of the Piezometer Work Plan on April 6, 2005 required twice the number of piezometers but neglected to address the associated schedule impact. The Board's doubling of the number of piezometers and its insistence that these piezometers be sampled at the same time as the domestic wells was an additional requirement, not contemplated when the timelines in the Stay were negotiated.

Mr. Roger Briggs
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Board staff was fully aware of Olin's efforts and progress in meeting each element of the Stay, yet never expressed a concern or an objection to the possibility of revised data submittal dates. MACTEC and Olin staff advised the Board staff on numerous occasions dating back to April of a potential early August data submittal date. During a formal progress update via teleconference on July 14, 2005, the Board provided verbal approval of the piezometer installation and sampling schedule. Progress was communicated yet again on August 3, 2005; again, the Board staff communicated no concern or objection to the submittal dates.

The attached timeline details the continuous and diligent work pursued by Olin to accomplish the work provided in the Stay, which work is in addition to the numerous other projects Olin is pursuing concurrently at this site pursuant to other orders. This timeline shows quite clearly that even if this project were the only activity at the site, Olin pursued it continuously and in an expeditious manner. Coupled with the other projects currently ongoing at the site, the schedule pursued was extraordinarily aggressive, especially in light of the extra tasks Olin took on at the Board's request subsequent to the negotiation of the Stay.

The data tables and figures were submitted to the Regional Board in letters dated August 11 and August 25 (submitted via e-mail on August 26). These submittals presented analytical data generated by a California-certified laboratory. While we are responding to a supplemental Board request for additional laboratory documentation, data submittals have complied with the Stay. The Stay did not specify that laboratory analytical reports, which provided identical information to the data submitted, were required as part of the submittal. As specified by the Board, these reports were to be submitted in the third quarter groundwater monitoring report.

We do note that the NOV recognizes favorably Olin's application of additional resources to accomplish the ongoing installation of supplemental monitoring wells. Please note that although Olin's intention is to continue to work closely with the Board, supplemental requests from the Board staff may restrict, without a concurrent change in the scheduled deadlines, Olin's ability to strictly comply with the Board's previously issued time schedules.

Sincerely,
OLIN CORPORATION



Curt M. Richards
Vice President
Environmental, Health and Safety

cc (via e-mail):

Mr. David Athey, RWQCB – Central Coast Region
Ms. Sylvia Hamilton, PCAG Chair
Mr. Thomas Mohr, Santa Clara Valley Water District
Mr. Richard McClure, Olin
Mr. Donald Smallbeck, MACTEC
Ms. Beverly Vessa, Olin/Standard Fusee Repository

GROUNDWATER FLOW ASSESSMENT TIMELINE

February 4, 2005 - Olin submits Northeast Groundwater Sampling Work Plan (NGSWP) to RWQCB as a condition to the stay of December 8, 2004 13267 Order.

February 7, 2005 - RWQCB requests via e-mail additional information regarding NGSWP submittal. SCVWD permits faxed to DPW/Morgan Hill in response to call from John Henry (encroachment permits still pending).

February 9, 2005 - Olin via e-mail provides RWQCB with information requested on February 7, 2005. Voice mail from RWQCB to MACTEC regarding several comments on Piezometer Installation Work Plan.

February 15, 2005 - RWQCB provides comments via e-mail to Olin on Piezometer Installation Work Plan.

February 17, 2005 - Olin provides RWQCB with Supplemental well information as part of the NGSWP. Olin provided wells to be sampled and the criteria for selection in the Feb 4 Work Plan. The additional information includes a table (list) of wells and the rationale for selecting wells as primary and secondary. The information included a revised Figure with well id's and boring logs that are available for wells in the study area. RWQCB did not provide a response within 15-days as required by the Stay, but on March 11, 2005 responded with more comments on the NGSWP.

February 18, 2005 - Olin via e-mail responds to RWQCB comments on Piezometer Installation Work Plan.

March 3, 2005 - Olin submits Final Piezometer Installation Work Plan to RWQCB. RWQCB sent Olin an e-mail on March 3 regarding "tweaks" to the NGSWP, although information requested had been provided in February.

March 11, 2005 - RWQCB via e-mail provides Olin with additional comments on the NGSWP. In this e-mail RWQCB staff ties the sampling of the piezometers to the other domestic wells identified in the NGSWP.

March 15, 2005 - Teleconference with representatives from RWQCB, Olin, SCVWD, and Komex to discuss comments on Final Piezometer Installation Work Plan.

March 18, 2005 - Teleconference with Olin and RWQCB to discuss RWQCB comments on NGSWP and response to RWQCB comments were prepared and delivered via e-mail.

March 22, 2005 - Olin provides RWQCB written responses to comments discussed in March 15, 2005 teleconference.

March 28, 2005 - Olin receives approval from RWQCB of NGSWP. RWQCB indicates that the sampling of the piezometers would be in conformance with the Stay, establishing a linkage between sampling the domestic wells at the same relative time frame as the piezometers. In this letter the RWQCB also restates the original dates in the stay without realizing that they had not yet approved the most recent Piezometer Work Plan which was linked to this sampling.

April 6, 2005 - RWQCB approves Final Piezometer Installation Work Plan. Approval requires installation by May 27, 2005; 50 calendar days from approval. However, Final Work Plan

GROUNDWATER FLOW ASSESSMENT TIMELINE

included installation of piezometers at 4 locations versus 2 in original plan. The RWQCB requires installation by a date inconsistent with the work plan and did not take into account the additional piezometers to be installed.

April 8, 2005 - Olin begins drilling mobilization activities.

April 11, 2005 - MACTEC prepares a list of wells for access agreements and updates with information in database.

April 14, 2005 - Olin informs via e-mail RWQCB of tentative drilling schedule for piezometer installation.

April 20, 2005 - Olin begins installation at PZ-1 location. RWQCB informed via e-mail.

April 20, 2005 - MACTEC develops list of wells requiring additional information from the SCVWD in lieu of going house to house to verify all information.

April 26, 2005 - Olin provides via e-mail to RWQCB and SCVWD with lithologic log from PZ-1.

April 28, 2005 - MACTEC requested contact information which was not available to MACTEC from SCVWD for northeast wells. Information promised by COB 4/29.

May 2, 2005 - Olin provides via e-mail to RWQCB with proposed design for MP-1.

May 3, 2005 - RWQCB approves via e-mail MP-1 design.

May 5, 2005 - MACTEC receives information from SCVWD on May 5, 2005.

May 9, 2005 - MACTEC begins confirmation of 38 well numbers, addresses, and verbal access to sample in July to be followed up with written agreement.

May 18, 2005 - Olin begins installation at PZ-2 location.

June 1, 2005 - Olin provides via e-mail to RWQCB lithologic log and proposed MP-2 design. Development of PZ-1/ MP-1 initiated.

June 8, 2005 - Provided RWQCB brief update on NE piezometer installation and sampling in teleconference on Monitoring Network Report.

June 10, 2005 - Olin provides via e-mail to RWQCB lithologic log of PZ-3. Development of PZ 1/MP1 complete. Development of PZ-2/MP-2 initiated.

June 15, 2005 - MACTEC completes verification an access agreements for Northeast Sampling.

June 17, 2005 - Olin provides via e-mail to RWQCB proposed MP-3 design. Development of PZ-2/MP-2 complete.

GROUNDWATER FLOW ASSESSMENT TIMELINE

June 20, 2005 – Olin provides RWQCB update on NE Piezometer installation in regards to tentative date for completion in mid-July as part of conference call on characterization work plan.

June 28, 2005 - Olin informs via e-mail to RWQCB of change in MP-4 location. Development of PZ-3/MP-3 initiated.

June 29, 2005 - Olin receives approval via e-mail from RWQCB for change in MP-4 location.

July 11, 2005 - Olin provides via e-mail to RWQCB MP-4 design. Development of PZ-3/MP-3 completed.

July 14, 2005 - Teleconference with RWQCB to provided update of GFA progress, including completion of piezometer installation and sampling of all wells within two week period. RWQCB provided verbal approval. Discussed delivery and installation schedule for transducers.

July 18, 2005 - Olin completes installation of MP-4. Development of MP-4 initiated.

July 22, 2005 - Olin completes development of MP-4. Piezometers are ready for sampling.

July 25, 2005 - Olin begins coordinated sampling of domestic wells and new piezometers for perchlorate.

August 3, 2005 - Olin provides RWQCB with status of all Groundwater Flow Assessment activities.

August 11, 2005 - Olin provides RWQCB preliminary results of groundwater sampling for perchlorate as part of the Groundwater Flow Assessment.

August 17, 2005 - Olin submits Piezometer Installation Report to RWQCB.

August 26, 2005 - Olin provides RWQCB final results of groundwater sampling for perchlorate as part of the Groundwater Flow Assessment.