



P.O. BOX 248, 1186 LOWER RIVER ROAD, NW
CHARLESTON, TN 37310-0248

VIA: E-MAIL and US MAIL

April 10, 2007

Mr. Hector Hernandez
California Regional Water Quality Control Board
Central Coast Region
895 Aerovista Place, Suite 101
San Luis Obispo, California 93401

**Subject: Progress Report #56
March 1 through 31, 2007
Morgan Hill, California**

Dear Mr. Hernandez:

Pursuant to the November 18, 2002, California Regional Water Quality Control Board, Central Coast Region (Water Board) letter, this report summarizes Olin's progress related to the Cleanup and Abatement Orders (CAOs) and the Monitoring and Reporting Program (MPR) associated with the Olin/Standard Fusee site located at 425 Tennant Avenue, Morgan Hill, California. Progress Report #56 is for March 1 through 31, 2007.

CAO R3-2004-0101 – Replacement Water and Ion Exchange System Installation

Replacement Water:

Olin continues to provide bottled drinking water to well owners and tenants in accordance with the Water Board CAO, as revised by the State Water Resources Control Board in its Order No. WQO 2005-0007 (State Board Order). Quarterly sampling of replacement water wells is proceeding and is further described under MRP 2001-161. In accordance with the State Board Order, a phased reduction of bottled water continues pursuant to State Board criteria. On March 21, 2007, the Water Board approved Olin's request for a revised monitoring frequency at 23 domestic wells.

Ion Exchange (IX) System Installation:

Through March 2007, Olin has installed ion exchange (IX) systems on 16 wells. The IX systems continue to operate as designed. Installation of an IX system at one well remains on hold pending resolution of pre-existing bacterial issues and an access agreement is being sought at another well. Data evaluation continues for well candidates that have had greater than 6 ppb perchlorate detection during the past 4 quarters. Bottled water continues to be provided pending DHS response to the Demonstration Protocol results for the representative IX systems.

CAO R3-2005-0014 – Llagas Subbasin Characterization and Remediation

Llagas Subbasin Monitoring Plan:

Full Water Board approval of the Monitoring Plan remains pending.

Item No. 13 Attachment 1
May 10-11, 2007 Meeting
Perchlorate Cases

Llagas Subbasin Characterization Report

Area I characterization efforts are ongoing. On January 31, 2007, Olin submitted the Llagas Subbasin Characterization Report describing characterization activities performed during 2006. Water Board approval of the Characterization Report remains pending. On March 9, 2007 Olin provided a letter response to Water Board comment letter (1/8/07) on the East of Site Characterization Report.

Llagas Subbasin Plume Migration Assessment Control Report

On March 29, 2007, the Water Board conditionally approved the Area 1 Feasibility Study and Area 1 Cleanup Work Plan.

Llagas Subbasin Cleanup Level Report

Water Board acceptance of the Llagas Basin Cleanup Level Report remains pending.

Llagas Subbasin Cleanup Feasibility Study Report

On March 29, 2007, the Water Board conditionally approved the Revised Cleanup Feasibility Study Report.

MRP 2001-161 – Onsite and Offsite Well Sampling Activities

Olin continues performing monitoring pursuant to our understanding that the Water Board's intent was consolidation of MRP 2003-0168 and MRP 2001-161 (August 31, 2005 revision). On March 9, 2007 Olin provided a letter response to the Water Board's comment letter dated January 8, 2007. The First Quarter 2007 Groundwater Monitoring Report, including on-site performance monitoring, will be submitted to the Water Board by April, 30, 2007.

Onsite Well Sampling Activities:

During March 2007 water-level measurement were collected from onsite monitoring wells and BarCad® wells. The results will be included in the First Quarter 2007 Groundwater Monitoring Report.

Offsite Well Sampling:

Offsite groundwater sampling continued during the First Quarter 2007. The results will be included in the First Quarter 2007 Groundwater Monitoring Report.

Groundwater Treatment System Operations:

Treatment system operations continued in March 2007. The treatment system operated continuously throughout this period. During March, the system extracted and removed perchlorate from approximately 5.8 million gallons of groundwater. To date, perchlorate has been removed from over 165 million gallons of water. GWTS operations data will be presented in the First Quarter 2007 Groundwater Monitoring Report.

On-Site Recharge System Operations:

Recharge system operations continued in March 2007 with all injection wells active. The treatment system operated continuously throughout this period. In March, approximately 5.8 million gallons of GWTS effluent were injected to the subsurface via the three injection wells. Monitoring data

Mr. Hector Hernandez
Olin Progress Report #56
April 10, 2007

collected for the On-Site Recharge system will be presented in the First Quarter 2007 Groundwater Monitoring Report.

Soil In Situ Bioremediation (ISB) System Operations:

In October 2006, the Water Board concurred that the remedial objectives for the ISB had been achieved; however, Olin's request to update MRP No. 2001-161, by eliminating the soil remediation monitoring requirements, remains pending.

Upcoming Reports

Due Date

- Monitoring and Reporting Program 2001-161:
 - 1st Quarter 2007 Groundwater Monitoring Report 4/30/07
 - 2nd Quarter 2007 Groundwater Monitoring Report 7/30/07
 - 3rd Quarter 2007 Groundwater Monitoring Report 10/30/07
 - 4th Quarter 2007 Groundwater Monitoring Report 1/30/08
- Monthly Progress Reports 10th of each month

Olin will continue providing monthly progress reports of our activities related to the CAOs and MRP. If you have any questions, please call me.

Sincerely,
OLIN CORPORATION



Richard W. McClure, P.G., REM
Environmental Remediation Group

cc (via e-mail):

Mr. Jim Ashcraft, City of Morgan Hill
Mr. Eric Gobler, Water Board – Central Coast Region
Ms. Leslie Griffin, P.E., GeoSyntec
Ms. Sylvia Hamilton, PCAG Chair
Mr. Thomas Mohr, Santa Clara Valley Water District
Mr. Dave Share, Olin
Mr. Donald Smallbeck, MACTEC
Mr. Curt Richards, Olin