



VIA: E-MAIL and U.S. MAIL

February 10, 2010

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

Subject: Progress Report #90 – January 2010
425 Tennant Ave
Morgan Hill, California

Dear Mr. Thomas:

Pursuant to the November 18, 2002, California Regional Water Quality Control Board (Water Board) letter, this report summarizes our progress related to the Cleanup and Abatement Order (CAO) and the Monitoring and Reporting Program (MRP) associated with the Olin/Standard Fusee site located at 425 Tennant Avenue, Morgan Hill, California.

Replacement Water and Domestic Ion Exchange

Replacement Water:

We continue providing replacement water in accordance with the Water Board CAO, as revised by the State Water Resources Control Board (State Board) in its Order No. WQO 2005-0007 (Order). Currently, we provide replacement water to 25 homes (18 wells), down 97% (914 homes/661 wells) from when the State Board established the Replacement Water Program (RWP).

Sampling of domestic wells pursuant to the RWP continues as does the requisite data evaluation and corresponding sampling frequency revision requests. On January 11, the Water Board concurred with our December 7, 2009 Phase 21 recommendations, including termination of 7 replacement water accounts and reduced monitoring frequency from quarterly to annual (3 wells), from quarterly to no further sampling (4 wells). However, because the Water Board has not modified the MRP, a quarterly sampling frequency continues at 4 wells and semiannual sampling continues at 1 well. The Water Board concurred with our proposal to continue providing bottled water and quarterly sampling for 3 wells that were eligible for termination in Phase 21.

On January 15, we submitted a request to revise the sampling frequency from annual to no further sampling at 6 wells, 5 of which are sampled quarterly in the MRP, and from annual to quarterly at 2 wells. The latter 2 wells meet requirements for bimonthly sampling; however, because they are sampled quarterly in the MRP, we have recommended quarterly RWP sampling.

On January 21, we notified the Water Board that initial results for 10 domestic wells samples collected in early January inaccurately indicated perchlorate at concentrations above the MCL. As discussed in a conference call with Water Board staff on January 25, analytical results for these samples were inconsistent with historical results; re-analysis results from Accutest are corroborated by results from split samples analyzed by TestAmerica and indicate that concentrations do not exceed the MCL. Accutest has agreed to reanalyze affected 1Q10 groundwater samples at no cost to Olin. As requested, we provided Water Board staff with laboratory reports on January 26. Discussions regarding this issue were ongoing at month's end.

During January, we performed domestic well sampling of wells with quarterly and semiannual sampling frequencies, pursuant to the RWP. On 1/07/10, in response to a request from Water Board staff (12/23/09), we provided additional data to augment our RWP Evaluation memorandum dated 12/09/09. The

memorandum included specific recommendations to remove wells where perchlorate concentrations have remained below the MCL for at least two years.

Domestic Ion Exchange (IX):

Through January, all domestic supply wells above 7.9 parts-per-billion (ppb) perchlorate have IX treatment systems. We continue operating and maintaining seven domestic IX systems pursuant to the OM&M plan. The IX systems are removing perchlorate to non-detect levels as designed. We continue working with the Water Board staff regarding concurrence with the CA Department of Public Health's (DPH's) November 2008 acceptance that the domestic IX systems reliably remove perchlorate. Resin was replaced in the lead vessel at 4 IX system with DPH-approved resin (PSR-2).

At the request of Water Board staff, on January 12 we provided updated contact information for recipients of IX-treated water.

Llagas Subbasin Remediation

Remediation progress continues with implementation of both the hydraulic control (HC) and monitored attenuation (MA) components of basin remediation. Well construction activities associated with deep aquifer extraction well DEW-2 occurred between January 4 and 8. Pneumatic slug tests were performed at MW-73 wells on January 21 and 26. Results will be included in the *First Quarter 2010 Groundwater Monitoring Report*.

On January 28, we submitted the *2009 Annual Cleanup Progress Status Report and Characterization Update* to the Water Board.

MRP R3-2008-0028 – Well Sampling Activities

Of the wells specified in the MRP, 65 are domestic wells also included in the RWP. Of these, 45 have been proposed for sampling frequency reductions pursuant to the RWP. Since May 22, the Water Board has concurred with RWP frequency reductions for 24wells and with no further sampling for the remaining 21 wells. However, because the MRP has not been modified, quarterly sampling continues at 38 wells, semi-annual sampling at 5 wells, and annual sampling at 2 wells. As we have discussed previously, there is a growing divergence between the MRP and RWP sampling frequencies yielding no additional informational benefit.

During January, we performed monitoring pursuant to the MRP in preparation for the *First Quarter 2010 Groundwater Monitoring Report*.

On January 29, we submitted the *Fourth Quarter 2009 Groundwater Monitoring Report*. On January 25, we received Water Board comments to the Second and Third Quarter 2009 Groundwater Monitoring Reports. Comments 1, 3, and 6 were addressed in the *Fourth Quarter 2009 Groundwater Monitoring Report*; the remaining comments will be addressed in the *First Quarter 2010 Groundwater Monitoring Report*.

Groundwater Treatment System Operations

The GWTS operated nearly continuously throughout December except for short-term maintenance activities. To date, over 250 million gallons of water have been treated and re-injected to the Subbasin. GWTS and Pilot Program data collected in January 2010 will be reported in the *First Quarter 2010 Groundwater Monitoring Report*.

Upcoming Reports

	Due Date
• <u>Monthly Progress Reports</u>	10 th of each month
• <u>Groundwater Monitoring Reports:</u> <i>First Quarter 2010 Groundwater Monitoring Report</i>	4/30/10
• <u>Llagas Subbasin Remediation Reports:</u> <i>DEW-2 Feasibility Study Addendum</i>	5/03/10

Water Board response to the following reports remain pending:

- Revised Quality Assurance Project Plan (MACTEC, 3/19/09)
- Letter proposal regarding CAO requirement for CDPH “certification” of domestic IX systems (3/30/09)
- RWP Evaluation (MACTEC, 12/09/09)
- DEW-1 FSA (Geosyntec, 12/21/09)
- Fourth Quarter 2009 Groundwater Monitoring Report (MACTEC, 1/29/10)
- 2009 Annual Cleanup Progress Status Report and Characterization Update (MACTEC, 1/29/10)

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

Sincerely,
OLIN CORPORATION



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

cc (via e-mail):

Susan Alexander, Siemens
Tom Mohr, Water District
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Sylvia Hamilton, PCAG Chair
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