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VIA: E-MAIL and U.S. MAIL

August 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 #60
July 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 #60 is for July 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). Sampling of replacement water wells is proceeding and is further described under MRP 2001-161. In accordance with the State Board Order, bottled water has been terminated for 513 wells with Water Board approval. Olin continues to provide bottle water to 181 wells (263 households) while monitoring perchlorate pursuant to the State Board Order. On July 20, 2007, Olin submitted a request to the Water Board for a revised monitoring frequency at 14 domestic wells.

Ion Exchange (IX) System Installation:

Through June 2007, Olin continues to operate and maintain ion exchange (IX) systems on 16 wells. These systems continue to operate as designed. Data evaluation continues for candidate wells, i.e. wells that have had greater than 6 ppb perchlorate for 4 consecutive quarters. Bottled water also continues to be provided pending DHS response to the Demonstration Protocol results for the representative IX systems.

The First Quarter 2007 Demonstration Protocol report was submitted to California Department of Health Services on June 21; their review is pending. The report provided evidence that the demonstration site IX systems effectively removed perchlorate from groundwater.

Item 18a Attachment No. 1
September 7, 2007 Meeting
Perchlorate Cases

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

Llagas Subbasin Monitoring Plan:

Full Water Board approval of the Monitoring Plan remains pending.

Llagas Subbasin Characterization Report

Area I deep aquifer characterization efforts are ongoing. During July 2007, installation of one multi-level monitoring well was completed. On July 25, Olin provided the Water Board with a status of the ongoing deep aquifer characterization.

Llagas Subbasin Plume Migration Assessment Control Report

On July 30, 2007 Olin provided the Water Board with a letter presenting recommended extraction well locations and designs for Priority Zone A.

Llagas Subbasin Cleanup Level Report

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

Llagas Subbasin Cleanup Feasibility Study Report

During July, Olin prepared a response to the Water Board request for review and evaluation the Llagas Subbasin electronic groundwater flow and transport model input files.

Llagas Subbasin Cleanup Work Plan

On June 15, 2007, Olin submitted the Llagas Subbasin Cleanup Work Plan to the Water Board. The Work Plan is under Water Board review.

MRP 2001-161 – Onsite and Offsite Well Sampling Activities

Olin continues onsite and offsite 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). The Second Quarter 2007 Groundwater Monitoring Report was submitted to the Water Board on July, 30, 2007.

Onsite Well Sampling Activities:

During July 2007, water-level measurements were collected from onsite monitoring wells. The results will be included in the Third Quarter 2007 Groundwater Monitoring Report.

Offsite Well Sampling:

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

Groundwater Treatment System Operations:

The groundwater treatment system (GWTS) operated continuously during July 2007, extracting and removing perchlorate from approximately 6.3 million gallons of groundwater. To date, perchlorate has been removed from over 189 million gallons of water. GWTS operations data will be presented in the Third Quarter 2007 Groundwater Monitoring Report.

On-Site Recharge System Operations:

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Recharge system operations continued in July 2007 with all injection wells active. In June, approximately 6.4 million gallons of GWTS effluent were injected to the subsurface via the three injection wells. Monitoring data collected for the On-Site Recharge system will be presented in the Third 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:
 - 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
- Llagas Subbasin Characterization and Remediation CAO:
 - Llagas Subbasin Characterization Report 1/31/08

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
Environmental Remediation Group

cc (via e-mail):

- Mr. Jim Ashcraft, City of Morgan Hill
- 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
- Ms. Thea Tyron, Water Board – Central Coast Region