California Regional Water Quality Control Board
Central Coast Region

Dan Skopec
Acting Secretary for Environmental Protection

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Arnold Schwarzenegger
Governor

May 9, 2006

Mr. J. Edward Tewes
City Manager
City of Morgan Hill
17555 Peak Avenue
Morgan Hill, Ca 95037

Dear Mr. Tewes:

SLIC: 425 TENNANT AVE, MORGAN HILL; CLARIFICATION OF MAY 2, 2006 LETTER CONCERNING RESPONSIBILITY DETERMINATION FOR PERCHLORATE DETECTIONS NORTHEAST OF THE OLIN SITE

On May 5, 2006, Mr. Hector Hernandez and Ms. Thea Tryon of my staff met and discussed our May 2, 2006 letter with the City of Morgan Hill's Public Works Director, Jim Ashcraft. Subsequent to their meeting, the City hand-delivered a letter (attached) requesting clarification concerning Water Board staff's May 2, 2006 letter.

According to the meeting and the attached letter, the City interpreted our May 2, 2006 letter to suggest that we do not consider Olin Corporation responsible for continued monitoring and investigation of perchlorate north and east of the Olin Site. The City's interpretation of the May 2, 2006 letter is incorrect. As explained to Mr. Ashcraft during the meeting, our May 2, 2006 letter is specific to Olin's responsibility for the detections of perchlorate in the Nordstrom Well.

During the meeting, Mr. Ashcraft indicated that Olin's first quarter 2006 monitoring report (received May 1, 2006) documents increases in perchlorate detections (above 4 μg/L) immediately east and northeast of the Site, suggesting that additional work is needed in that area. Water Board staff have not had the opportunity to review the first quarter 2006 monitoring report and therefore are unable to provide comments regarding the data presented in this report, at this time. However, Water Board staff is in agreement with the City that Olin would be required to perform additional characterization work and monitoring of groundwater immediately north and east of the former Olin Site for perchlorate concentrations exceeding 4 μg/L, if the Water Board deems it necessary and appropriate. As pointed out during the meeting, Olin's March 29, 2006 Characterization Report proposes the installation of several cone penetration testing (CPT) borings in the area east of the Olin Site. We agree with Olin's proposed CPT work and Water Board staff will provide detailed comments and approvals of any

proposed work outlined in the Characterization Report to Olin. We understand Olin is working with the City of Morgan Hill to obtain an encroachment permit to complete the CPT borings. Water Board staff will also review and evaluate the first quarter 2006 monitoring report results and provide comments.

As explained during the recent meeting, our May 2, 2006 letter does not provide specifics on the additional work that Olin will be required to perform because we are not directing Olin to undertake any specific additional work related to the detections of perchlorate in the Nordstrom well at this time. Our May 2, 2006 letter is specifically addressed to the City of Morgan Hill and is specific to what we understood as the City's request to assign responsibility to the detections of perchlorate in the Nordstrom Well. Nonetheless, immediately upon issuance of our May 2, 2006 letter, Mr. Eric Gobler of our staff telephoned Mr. Rick McClure of Olin and clarified that our letter is specific to the Nordstrom Well and that Olin would still be required to conduct additional work north and east of the Site, if it is deemed necessary by the Water Board. As addressed in our May 2, 2006 letter, we continue to encourage the City of Morgan Hill and others to submit new information related to perchlorate northeast of the Olin Site for our review.

Water Board staff would also like this opportunity to correct an error in the May 2, 2006 letter. Page 6 of the May 2, 2006 letter, under the subject heading, "Other Potential Sources", item number 3., indicates that the Madrone Ponds and San Pedro Ponds were recharged with water from Lake Anderson in the past. Please note that Water Board staff intended to identify Main Avenue Ponds and not the San Pedro Ponds.

We hope this letter provides adequate clarification of Water Board staff's position concerning Olin's characterization and monitoring responsibilities immediately north and east of the former Olin Site. A detailed discussion concerning the extent and degree of necessary groundwater characterization and monitoring activities immediately east and north of the former Olin Site will be provided as part of our response to Olin's March 29, 2006 characterization report and the May 1, 2006 first quarter 2006 monitoring report.

If you have any questions, please contact Thea Tryon at (805) 542-4776, Hector Hernandez at (805) 542-4641, or Eric Gobler at (805) 549-3467.

Sincerely,

Roger W. Briggs
Executive Officer

Attachment:

May 5, 2006 Correspondence titled, "Request for Clarification Regarding your 5/2/06 Letter Concerning Determination of Northeast Discharger."

cc via E-mail:

Ms. Lori Okun
Office of the Chief Counsel
State Water Resources Control Board

cc via U.S. Mail:

Mr. Richard W. McClure
Olin Corporation

Olin Correspondence IPL

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May 5, 2006

Roger Briggs, Executive Officer
Regional Water Quality Control Board
895 Aerovista Place
San Luis Obispo, CA 93401

RE: Request for Clarification Regarding Your 5/2/06 Letter Concerning Determination of Northeast Discharger

Dear Mr. Briggs:

In the meeting between your staff and mine on 5/5/06, your staff suggested to us that our interpretation of your 5/2/06 letter is incorrect in that Olin will be responsible for not only continued monitoring in the northeast area, but also continued investigation to delineate further the detections of perchlorate northeast of the Olin site.

While the City has pressed the RWQCB for a determination that Olin is the discharger responsible for contaminating our wells, we also consistently asked for a determination that there is a northeast component of Olin's contamination and that Olin be held accountable for that contamination in the same way they are to be held accountable for the "southerly plume". It is the City's goal to ensure that the entire plume of contamination emanating from the Olin site is characterized and remediated in an expedient manner by the responsible party, and in accordance with State law. Given that, your 5/2/06 letter would appear to be unnecessarily narrow in scope leaving all involved with the impression "Olin Corp. is off the hook" (See Gilroy Dispatch 5/4/06).

We are still formulating our plans for possible presentation at your 5/12/06 Board meeting and your written response to this letter could greatly affect that presentation, therefore we would like to get your clarification as soon as possible.

Sincerely,

J. Edward Tewes
City Manager

JET:JA:kn

cc: Mayor and City Council
PWG Partners
Sylvia Hamilton, Chair, PCAG
Jim Ashcraft, Public Works Director

CENTENNIAL Morgan Hill 1906-2006

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