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CURT M. RICHARDS
Vice President
Environment, Health & Safety

April 7, 2004

Roger Briggs, P.E.
Executive Director
California Regional Water Quality Control Board
Central Coast Region
895 Aerovista Place, Suite 101
San Luis Obispo, CA 93401-7906

Re: Letter Dated 03/11/04 - SLIC: 425 Tennant Avenue, Morgan Hill: Letter from Jay Baska, City of Gilroy, Concerning Southern Extent of the Perchlorate Plume and Request to Assess Threat to City Water Supply Wells

Dear Mr. Briggs:

In the letter dated 03/11/04 - SLIC: 425 Tennant Avenue, Morgan Hill: Letter from Jay Baska, City of Gilroy, Concerning Southern Extent of the Perchlorate Plume and Request to Assess Threat to City Water Supply Wells, the RWQCB requested that Olin Corporation provide a written response on how Olin has, is, or plans to address requests raised by Mr. Baska's letter.

At the request of the RWQCB, on January 14, 2004, Olin met with City of Gilroy officials and agreed to provide the City with other well results from the area east of the City wells. Gilroy's sentinel wells, which were installed by the City as an adequate early warning system for nitrates, also serves the same purpose for perchlorate and provides the City adequate time to implement a perchlorate treatment system should that ever become necessary.

On February 13, 2004, Olin representative Rick McClure met with Gilroy City Administrator Jay Baska, Dan Aldridge, Michael Goodhue, Carla Ruigh, and Richard Smelser in Gilroy, California to discuss perchlorate analytical results near the City of Gilroy's sentinel and municipal wells. During this meeting, Olin presented perchlorate analytical data and geologic information for an area south of Leavesley Road and east of US-101.

Perchlorate data from the 4th quarter 2003 RWQCB-approved Monitoring and Reporting Program (MRP) report, historical analytical data collected by the Santa Clara Valley Water District, and geologic information obtained through State well drilling and construction records were presented. Pursuant to the MRP, there are multiple wells in the area of interest that Olin samples on a quarterly basis to monitor for the potential existence of perchlorate – including the City’s sentinel well. These data were provided to the City in two, large poster-board size figures showing color-coded perchlorate analytical results.

The information provided to the City illustrated several key elements regarding the occurrence of perchlorate in relationship to the City’s sentinel and municipal wells:

- In multiple sampling events, perchlorate has not been detected above 6 ppb, the current action level established by the California Department of Health Services (DHS), in the City of Gilroy’s four sentinel wells, located near the intersection of Leavesley Road and US-101.
 - South of Leavesley Road and east of the Gilroy municipal wells P7, P8 and P8a, there are nearly 30 wells that have been tested at least once for perchlorate. Perchlorate was not detected above 6 ppb in any of these wells.
 - Based on groundwater flow information from the Santa Clara Valley Water District, the California Department of Water Resources, and the USGS Geologic Survey, groundwater flow in the area is to the southeast. Groundwater containing perchlorate at concentration greater than 6 ppb (one well) occurs east of the City’s water supply wells by about 1.5 miles.
 - The closest historical observation (February 2003) of perchlorate above 6 ppb is approximately 1-mile north-northeast of Gilroy production well P7 (north of Leavesley Road).
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- The closest recent observation (November 2003) of perchlorate above 6 ppb is approximately 1.5 miles north-northeast of Gilroy production well P7 (north of Leavesley Road).
 - South of Leavesley Road, the geologic cross-section illustrates that perchlorate detections (all less than 6 ppb) generally occur in an aquifer zone from approximately 150 to 200 feet below ground surface.

At the conclusion of the February 13, 2004 meeting, the City of Gilroy agreed to provide additional information regarding sentinel and municipal well construction and assistance in obtaining well access where access for perchlorate sampling had been denied. Olin agreed to provide the City with additional perchlorate data regarding perchlorate detections in the vicinity of the town wells, as they become public information and to continue constructive dialog with respect to perchlorate occurrence in the area of interest. At the City’s request, Olin also provided an electronic copy of the 4th Quarter Monitoring and Reporting Program report.

The 1st Quarter Monitoring and Reporting Program report is due April 30, 2004. Additional perchlorate information regarding wells sampled and monitoring well construction in the area of the City wells should increase our level of knowledge. We request that the RWQCB review that document to determine if Olin has addressed the items raised by the City of Gilroy. We would then suggest a meeting with the City of Gilroy, the RWQCB staff, and Olin to discuss the current level of knowledge.

Sincerely,



Curt M. Richards

Cc: Eric Gobler - RWQCB
David Athey - RWQCB
Rick McClure - Olin