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July 11, 2014

James Dotchin
Nevada Division of Environmental Protection
Bureau of Corrective Actions
2030 E. Flamingo Road, Suite 230
Las Vegas, NV 89119

**Re: Quarterly Progress Report - Second Quarter 2014
Environmental Conditions Investigation Program
Former Montrose Facility - Henderson, Nevada**

Dear Mr. Dotchin,

On behalf of Montrose Chemical Corporation of California (Montrose), please find summarized below a list of work performed or significant activities completed for the environmental program at the former Montrose facility in Henderson, Nevada during the Second quarter of 2014. This Quarterly Progress Report has been prepared in accordance with the Montrose Phase II Consent Decree Agreement, dated June 18, 1996.

- On April 16, Montrose and the Stauffer site Companies submitted a *Standardized Joint Site-Wide Annual Groundwater Monitoring Program Plan* for NDEP review. The Plan was subsequently approved by NDEP on June 2.
- On April 29, Montrose and the Stauffer site Companies requested an extension of the submittal date for the *Groundwater Remedial Alternative Study (RAS)* from April 30 to May 9, 2014. The request was approved by NDEP on April 30.
- On May 5, Montrose and the Stauffer site Companies submitted for NDEP's review a draft of the Groundwater RAS.
- On May 20, Montrose and the Stauffer site Companies participated in a quarterly status conference call with NDEP staff to discuss current activities and future work schedules for the former Montrose and Stauffer sites.
- On June 4, Montrose and the Stauffer site Companies participated in a conference call with NDEP staff to discuss NDEP initial views of the draft groundwater RAS document. NDEP subsequently provided written comments on June 16.
- On June 19, Montrose and Olin representatives met with NDEP staff to develop an *Environmental Indicator Determination* document for submittal by NDEP to Region IX EPA.

- On June 19, Montrose and the Stauffer site Companies OSSM Companies met with NDEP for a technical discussion of groundwater and contaminant migration along the east side of the current Site property boundary.
- As of the end of the quarter, Montrose and the Stauffer site Companies were conducting negotiations to establish an access agreement for wells owned or utilized on property recently acquired by TRECO and to update the current access agreement with NERT for wells owned or used on their remaining properties.

As of the end of the 2nd quarter, Montrose and its consultants were working on the following programs or documents:

- Development of a project site plan for conducting a DNAPL mobility test on NERT property at well MC-MW-18.
- A Data Usability Evaluation (DUE) document for the Former Plant Site (FPS) to accompany a CSM for submittal in August 2014.
- A CSM revision and a response to NDEP comments on the previous submitted Screening Risk Assessment for the Former Benzene Storage Tank Area (FBST).
- A NFA request for the DCB Warehouse area including a Data Usability Evaluation (DUE) and Project Summary, planned for submittal to NDEP in August 2014.
- A package of information requested by NDEP to process a NFA for the Former Underground Benzene Storage Tank Area (FUBST), intended for submittal to NDEP in August 2014.

Although not directly part of the Phase II ECI program, during the 2nd quarter of 2014, Montrose continued its participation in the operation and management of the site-wide groundwater treatment system (GWTS).

Should you have any comments on this progress report, do not hesitate to call me.

Submitted by,



Paul V. Sundberg
Consultant to Montrose

Cc:

Joseph Kelly - Montrose - Bainbridge Island - via e-mail
Kelly Richardson - Latham & Watkins - San Diego - via e-mail
BMI Interested Parties via document distribution website

Fact Sheet

Former Montrose Facility Henderson, Nevada

UPDATED JULY 2014

The Montrose Chemical Corporation of California (Montrose) formerly operated a chemical manufacturing plant on various leased parcels located within what is now the Olin Chlor Alkali Products. (Olin) facility in the southwestern portion of the BMI Complex, Henderson, Nevada. The Montrose plant ceased operations in 1983 and the manufacturing facilities were demolished. Various closure activities, including the closure of former evaporation ponds, continued until 1989.

Administrative History

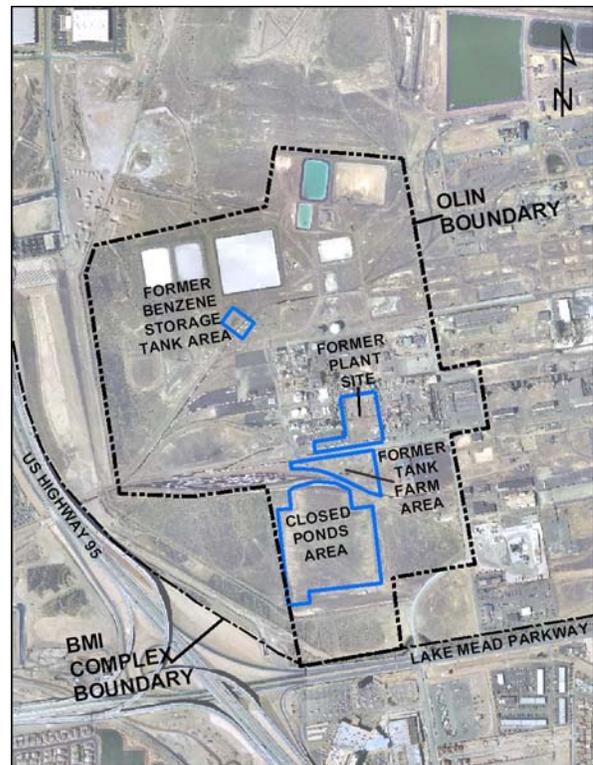
In 1991, Montrose entered into a Consent Agreement with the Nevada Division of Environmental Protection (NDEP) requiring Montrose to conduct a Phase I Environmental Conditions Assessment (ECA) of the former Montrose facility to identify areas of potential environmental concern. Montrose submitted its ECA report to NDEP in 1993.

In 1994, NDEP issued a Phase II Letter of Understanding (LOU) that outlined specific environmental issues to be investigated by Montrose. Subsequently, Montrose entered into another Consent Agreement with the NDEP in 1996 to conduct a Phase II Environmental Conditions Investigation (ECI) of areas of potential environmental concern at the former Montrose facility as identified in the LOU.

Site Investigations

Since completion of the 1996 Consent Agreement, Montrose has completed a series of soil and groundwater investigations at the former Montrose parcels under the oversight of the NDEP. This work was conducted during the time period of approximately 1996 to 2010 which resulted in the submittal of a series of reports and other correspondence to NDEP. These efforts defined areas of chemical presence at the former Montrose leased properties and laid the foundation for future preparation of risk assessments and/or close-out activities.

Also during the time period of approximately 2000 to 2008, Montrose in collaboration with parties involved in the Stauffer Management site (co-located on the Olin plant site), completed a series of additional groundwater and soil investigations which resulted in the publication of a Site Conceptual Model (CSM) document in July 2008. That comprehensive document defined the regional geology and hydrogeology, source area locations and the magnitude and mechanism of chemical migration at the combined sites. The CSM also identified outstanding data gaps for which further investigation was required.



Former Montrose Facility Locations

Since 2008, further investigations have proceeded at targeted geographical areas such as the former Wastewater Ponds 1&2 and for specific issues such as soil vapor. All activities tend to follow a process where the objectives of a program are defined with NDEP, a workplan is submitted for NDEP's review that defines the work necessary to resolve the data gaps, the field or research work is completed, and a report of the findings is published. Review of these reports by NDEP determines if the work has met the stated objectives or if a further phase of work is required.

Current Investigations and Document Development

As of July 2014, the Montrose program is in the process of finalizing investigation and data quality summaries. Depending on the characteristics of the various former parcels, future work may include completion of human health risk assessments, evaluation of soil remedial alternatives if remedial action is required, and/or close-out of the investigation process with a finding of No Further Action. Notable current work includes:

- Preparation of a Conceptual Site Model and Data Usability evaluation for the completed investigation work at the Former Plant site parcel.
- Finalization of documents for an NFA request for the former DCB warehouse area.
- Finalization of a Data Usability Evaluation for the Former Tank Farm parcel.

Additionally, Montrose and the former Stauffer site Companies are currently developing a Groundwater Remedial Alternatives Study (RAS) to assess alternative methods of groundwater contaminant migration control to that currently in operation as noted below.

Remedial Operations

Starting in 2004, Montrose implemented a soil vapor extraction (SVE) remedial program at the Former Plant Site. The purpose was to remove volatile organic compounds from soils identified by the previous investigation programs. At the conclusion of the program in 2010, over 278,000 pounds of volatile organic compound had been removed by this successful program.

Additionally, Montrose, Olin (formerly Pioneer), and Stauffer Management Company, LLC (SMC) collectively operate a groundwater treatment system (GWTS) near Warm Springs Road to prevent the off-site migration of contaminated groundwater. The system was first installed in 1983 and consists of a series of extraction wells to capture chemicals migrating within groundwater moving downgradient from the former plant sites. The groundwater is treated by a combination of air-stripping and activated carbon adsorption to remove chemicals and the treated groundwater is then returned to the aquifer system.



Upgraded Groundwater Treatment System

The system has been upgraded over the past several years to improve the capture of groundwater by the installation of additional extraction wells. The system operates continuously, on-line at over 99% of the time. Ongoing evaluations are conducted to maintain the system's groundwater contaminant capture efficiency.



INFORMATION AND COMMUNITY INVOLVEMENT

NDEP oversees all aspects of the environmental work at the former Montrose facility. Additional information can be obtained from James Dotchin (702-486-2870 ext. 235) at NDEP. Montrose welcomes community input to this project and recognizes the need to respond to community concerns. Previous reports related to the environmental work at the site can be obtained from NDEP's offices in Las Vegas or Carson City.