Dear Mr. Schoop,

On behalf of the Montrose Chemical Corporation of California (Montrose), this Quarterly Environmental Conditions Investigation (ECI) Progress Report has been prepared in accordance with the Montrose Phase II Consent Decree Agreement, dated June 18, 1996. The following summarizes the work performed or significant activities completed during the First Quarter 2020 at the former Montrose facility in Henderson, Nevada.

- On January 17, 2020, Montrose submitted to NDEP the 4th Quarter 2019 ECI program progress report. The ECI progress report also included the updated Montrose Program Fact Sheet.
- On January 17, 2020, NDEP submitted to Montrose Pay Request #100, which was representative of oversight billings for the period October 1, 2019 through December 31, 2019. Pay Request #100 was reviewed and paid by Montrose on February 11, 2020.
- During the period February 24 to 27, 2020, Montrose/SMC conducted the LOU#30 field investigation program. NDEP provided daily oversight.
- Montrose conducted the 1st Quarter 2020 DNAPL monitoring program during the period March 18 to 20, 2020.
- On March 24, 2020, NDEP submitted a letter to Montrose requesting the preparation of quarterly reports that summarize the results of the DNAPL monitoring events. NDEP requested that the first report be provided by the 3rd Quarter 2020.
The following provides a brief description of the Montrose ECI Program activities planned for the 2nd Quarter 2020:

- Montrose submitted a letter to NDEP asserting *Force Majeure* with respect to ongoing Montrose ECI Program Activities as a result of the COVID-19 pandemic. NDEP submitted a letter to Montrose on April 14, 2020 that accepted the assertion of *Force Majeure*.

- NDEP and Montrose to continue work on finalizing the Administrative Closure (AC) Request for the Closed Ponds Area-Former Tank Farm.

- Montrose continues to anticipate receiving comments from NDEP regarding the previously submitted Former Plant Site Conceptual Site Model/Data Usability Evaluation Report.

- Montrose continues to implement the Quarterly DNAPL purge and monitoring program. The 2nd Quarter 2020 DNAPL monitoring event will be conducted in June 2020.

- Montrose/SMC are in the process of validating the LOU#30 field investigation data. The LOU#30 investigation report will be submitted to NDEP 60 days after the completion of data validation.

- Development of a long-term access agreement is ongoing to assure continued access to Montrose ECI areas on the Olin property.

- Development of a deed restriction agreement and/or environmental covenant with Olin is ongoing to assist closure of the Montrose site assessment areas by future NDEP NFA determinations.

While not directly part of the Phase II ECI program, Montrose continued its participation with the Companies (i.e., Pioneer, SMC/ Syngenta) in the operation and management of the groundwater treatment system (GWTS) and joint programs. The following provides a summary of the notable 1st Quarter 2020 GWTS operations/joint programs and anticipated 2nd Quarter 2020 activities:

- Throughout the reporting period, the Companies conducted routine GWTS O&M activities. Amidst the ongoing COVID-19 pandemic, it is anticipated that the GWTS will continue to operate.
  - *de maximis* on behalf of the Companies worked with the Clark County Department of Air Quality (DAQ) during the reporting period to renew the DAQ Air Permit, which was completed on March 13, 2020. Subsequently, *de maximis* submitted the 2019 Annual report to DAQ on March 23, 2020.

- On January 7, 2020, NDEP transmitted to the Companies recent NERT groundwater and geologic data, and also submitted a letter requesting the Companies to review the NERT data and provide a summary that demonstrates the fate and transport of site-related compounds known to have trespassed onto NERT property by March 9, 2020.
During the period January 7, 2020 to February 4, 2020, the Companies conducted a preliminary review of the NERT data.

On February 4, 2020, the Companies made a request to NDEP that NERT provide additional data. The additional data was provided by NERT on February 20, 2020.

On February 21, 2020, NDEP and the Companies conducted a teleconference call to obtain clarity of the NDEP January 7, 2020 and discuss a path forward.

On March 5, 2020, the Companies submitted and NDEP approved the request to extend the response date from March 9 to May 9, 2020. The Companies are currently working on this response.

- On January 9, 2020, NDEP and the Companies conducted the 1st Quarter 2020 conference call to discuss overall project activities. NDEP provided draft meeting notes on February 19, 2020. The next quarterly call is scheduled for April 21, 2020.

- On January 31, 2020, de maximis on behalf of the Companies submitted to NDEP the Semi-Annual UIC Permit Report.

- On February 14, 2020, de maximis on behalf of the Companies submitted to NDEP the Semi-Annual GWTS Report (July to December 2019). NDEP submitted a letter to the Companies on April 7, 2020 that accepted the Semi-Annual GWTS Report.

- On March 31, 2020, NDEP submitted a letter to the Companies that provided two comments for the administrative record regarding the 2019 Comprehensive Groundwater Data Evaluation Report. The Companies are in the process of responding to the NDEP comments.

- On March 30, 2020, the Companies requested that the Annual Monitoring Program scheduled to commence in April 2020 be postponed until at least the 3rd Quarter 2020 due to the COVID-19 pandemic. NDEP provided an acceptance letter to the Companies’ request on March 31, 2020. The Companies will keep NDEP appraised of any other project delays as result of the COVID-19 pandemic.

- The Companies continue to work on the AC Request for the Beta and Western Ditch System.

If you should have any questions or require additional information regarding the above contents, please contact me at 619-991-9074.

Sincerely,
Edward Modiano
Edward Modiano
de maximis, inc,
Consultant for Montrose Chemical Corporation of California
Nevada Certified Environmental Manager
EM No. 2107; Expires October 18, 2021

Enclosure: Fact Sheet-Former Montrose Facility, Henderson, Nevada

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Fact Sheet
Former Montrose Facility
Henderson, Nevada

UPDATED APRIL 2020

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 Phase I 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 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. Activities consistent with the Phase II ECI are ongoing.

As a result of the COVID-19 Pandemic, Montrose submitted a letter to NDEP on April 13, 2020 that asserted Force Majeure with respect to activities at the former Montrose facility per the 1983 Consent Order and 1996 Consent Agreement. NDEP provided an acceptance letter on April 14, 2020.

Site Investigations

Since execution of the 1996 Consent Agreement, Montrose has completed a series of soil and groundwater investigations under NDEP’s oversight. This work was conducted from
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, from 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 Conceptual Site 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.

Since 2008, further investigations have proceeded at targeted geographical areas within the former Montrose facility. All activities tend to follow a process where the objectives of a program are defined with NDEP, a workplan that defines the work necessary to resolve any data gaps is submitted for NDEP’s review, 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**

The following provides the status and path forward for the Montrose LOUs, including the Administrative Closure (AC) and No Further Action (NFA) processes, as of the end of the 1Q2020:

- **Closed Pond/Former Tank Farm Area (CPA-FTF):** Montrose submitted an AC request to NDEP on August 24, 2018. The AC included responses to NDEP comments regarding the previously submitted risk assessment. NDEP submitted a draft AC letter to Montrose on May 3, 2019 and requested comments from Montrose. On May 9, 2019, Montrose responded with no comments to the draft AC letter. After further discussion with NDEP, it was determined that an Environmental Covenant (EC) will need to be provided as part of the AC. Montrose has obtained an example EC from Olin (formerly Pioneer) and is working with Olin/NDEP to record the EC. Subsequently, Montrose will work with NDEP to obtain the CPA-FTF AC.

- **LOU#30:** Montrose previously submitted an NFA package to NDEP on March 21, 2016, for which NDEP provided comments on February 7, 2018. Subsequently, Montrose addressed the NDEP comments and resubmitted the Former Underground Benzene Storage Tank NFA request on December 21, 2018. NDEP submitted a draft NFA letter to Montrose on May 3, 2019 and requested comments from Montrose. On May 21, 2019, Montrose responded with comments to the draft NFA, which NDEP incorporated and sent a revised NFA letter to Montrose on June 7, 2019. Per the NDEP NFA letter, Montrose/SMC was requested to submit a schedule for submitting a work plan to conduct additional investigation activities at LOU#30 by July 19, 2019. Subsequently, Montrose/SMC jointly submitted the LOU#30 work plan to NDEP on September 19, 2019. NDEP approved the LOU#30 work plan on November 7, 2019. Montrose/SMC implementing the LOU#30 work plan on November 7, 2019. Montrose/SMC implementing the LOU#30 field investigation program from February 24 to 27, 2020 and is currently compiling and validating the resulting data. The LOU#30 investigation report is due to NDEP sixty days after completion of data validation.
• Former Plant Site (FPS): The FPS Conceptual Site Model/Data Usability Evaluation (CSM/DUE) was submitted by Montrose on July 3, 2017 and NDEP comments are currently pending. Montrose is currently on hold for conducting any additional work at the FPS.

• The Quarterly DNAPL Purge/Monitoring Program is ongoing. The 1Q2020 quarterly event was conducted from March 18 to 20, 2020. The 2Q2020 program will be conducted in June 2020. Based on letter submitted by NDEP to Montrose on March 24, 2020, DNAPL reporting will commence by the 3Q2020.

Groundwater Treatment System and Joint Programs

Montrose, Olin, and Stauffer Management Company, LLC (SMC) collectively operate a groundwater remediation system (GWTS) near Warm Springs Road and continue to work jointly on groundwater programs. The GWTS 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, after which the treated groundwater is then returned to the aquifer system. The GWTS operates continuously, and routine ongoing evaluations are conducted to maintain the system’s groundwater contaminant capture efficiency. GWTS reports, which include the groundwater capture analysis, are provided to NDEP on a semi-annual basis. The most recent GWTS report (July 2019 to December 2019) was submitted to NDEP on February 14, 2020, for which NDEP submitted an acceptance letter on April 7, 2020. The annual Site-wide groundwater monitoring report was submitted to NDEP on November 22, 2019 and was accepted by NDEP on March 31, 2020. The 2020 annual sampling program, which was scheduled to commence in April 2020, has been postponed until at least the 3Q2020 as a result of the ongoing COVID-19 pandemic.

Additional activities being conducted include the ongoing Groundwater Remedial Alternative Study (GWRAS) and investigation of the Beta and Western Ditch System. Per previous correspondence, the Companies incorporated NDEP comments and submitted a revised GWRAS to NDEP on June 28, 2019. During the routine quarterly NDEP/Companies call conducted on September 11, 2019, NDEP informed the Companies that approval of the revised GWRAS was on hold pending further evaluation of recently collected Nevada Environmental Response Trust (NERT) data. NDEP provided the Companies with the recent NERT data on October 11, 2019 and January 7, 2020. The Companies are currently reviewing the NERT data and have requested an extension from March 9, 2020 to May 9, 2020 for responding to NDEP’s January 7, 2020 letter. NDEP accepted the extension request on March 5, 2020.

With respect to the Beta and Western Ditch System, Montrose/SMC is continuing to work on the EC and will subsequently work with NDEP to obtain the AC.

INFORMATION AND COMMUNITY INVOLVEMENT

NDEP oversees all aspects of the environmental work at the former Montrose facility. Additional information can be obtained from Chad Schoop (702-486-2850 ext. 248) 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.