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April 1, 1999

SPECIAL NOTICE LETTER FOR ENGINEERING EVALUATION/COST ANALYSIS (EE/CA); REMEDIAL INVESTIGATION/FEASIBILITY STUDY (RI/FS)
URGENT LEGAL MATTER - PROMPT REPLY NECESSARY
CERTIFIED MAIL: RETURN RECEIPT REQUESTED

Greg Taylor
Hughes Electronic Corporation
M/S C184
1520 Hughes Way
Long Beach, CA 90810

Re: Raytheon Company
Omega Chemical Superfund Site; Whittier, California

Dear Greg Taylor:

This letter follows the issuance by the United States Environmental Protection Agency (EPA) of a Unilateral Administrative Order (UAO 95-15) to you or your company in connection with the Omega Chemical Corporation Superfund Site (the "Site"), and provides formal notification of your continuing potential liability, as defined by Section 107(a) of the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), 42 U.S.C. § 9607(a), at the Site. The Site was proposed for listing on the National Priorities List (NPL) on September 29, 1998. 64 Fed. Reg. 2964. The Site was formally listed in the NPL on January 19, 1999. 64 Fed. Reg. 2950. As the listed contact person for the potentially responsible party (PRP) identified above, this letter has been sent to your attention.

This letter serves three basic functions. First, the letter notifies you that a 60-day period of formal negotitations with the EPA automatically begins with this letter. Second, this letter provides general and site-specific information to assist you in these negotiations. Third, it contains a formal demand for reimbursement of costs that have been incurred by the EPA, and all interest thereon, and costs that are expected to be incurred by the EPA, in connection with the Site.

NOTICE OF POTENTIAL LIABILITY

As demonstrated by the prior issuance of UAO 95-15 to you or your company, EPA has information indicating that you may be a PRP as defined by Section 107(a) of CERCLA. The removal actions taken pursuant to UAO 95-15 addressed the imminent and substantial endangerment originally posed by the Site but did not result in the full and complete remediation of the Site. This letter, therefore, serves as formal notice of your continuing potential liability with respect to the Site.

SPECIAL NOTICE AND NEGOTIATION MORATORIUM

EPA has determined that use of the Section 122(e) special notice procedures specified in CERCLA will facilitate at least a partial settlement between EPA and the PRPs for this Site. Therefore, under CERCLA Section 122, this letter triggers a 60-day moratorium on certain EPA response activities at the Site. During this 60-day period, the PRPs, including you or your company, are invited to participate in formal negotiations with EPA. You are also encouraged to voluntarily negotiate a settlement providing for the PRPs, including yourself or your company, to conduct or finance the response activities required at the Site. The 60-day negotiation period ends on June 1, 1999. The 60-day negotiation moratorium will be extended for an additional 60-days if the PRPs provide EPA with a comprehensive written good faith offer to conduct or finance certain response actions at the Site, including but not necessarily limited to: an engineering evaluation/cost evaluation (EE/CA) for a groundwater containment system and the subsequent design, installation, and operation of the system selected in EPA's Action Memorandum associated with the EE/CA; a remedial investigation/feasibility study (RI/FS) and risk assessment for Site soils; and installation of at least than 3 groundwater monitoring wells downgradient of the groundwater containment system to be installed pursuant to the EE/CA (referred to hereinafter as "downgradient monitoring wells"). Should a 120-day negotiation moratorium take place, negotiations will conclude on or about August 1, 1999. If settlement is reached between EPA and the PRPs within the 120-day negotiation moratorium, the settlement will be embodied in a judicial consent decree.

EPA FUTURE RESPONSE ACTIONS

In accordance with CERCLA and the NCP, EPA plans to conduct certain response activities at the Site. These will include, but not necessarily be limited to the following:

(1) Oversight of the PRPs performance of an EE/CA for a groundwater containment system;

(2) Oversight of the PRPs performance of a Site soils RI/FS and risk assessment;

(3) Issuance of an Action Memo for the PRPs groundwater EE/CA;

(4) Oversight of the PRPs design, construction, and operation of the groundwater treatment system required by EPA's Action Memo;

(5) Community relation activities associated with the PRPs performance of an EE/CA for a groundwater containment system, the PRPs implementation of the response action(s) selected in EPA's Action Memorandum, and the PRPs performance of a Site soils RI/FS and risk assessment;

(6) Issuance of a Proposed Plan and Record of Decision associated with the soils RI/FS; and

(7) Implementation of additional site characterization activities, including but not limited to, an EPA-funded RI/FS and a risk assessment for groundwater contamination within this Superfund Site that is not addressed by the PRPs groundwater EE/CA.

WORKPLAN AND DRAFT CONSENT DECREE

A copy of EPA's Statement of Work (SOW) and draft consent decree (CD) are attached. These are provided to assist you and other PRPs in developing a good faith offer for conducting, at a minimum, the EE/CA and implementing the response action selected in the the Action Memorandum associated with the EE/CA, conducting the RI/FS and risk assessment for Site soils; and installation of the downgradient monitoring wells.

GOOD FAITH OFFER

As stated above, the 60-day negotiation moratorium triggered by this letter can be extended for 60-days if the PRPs submit a comprehensive written good faith offer to EPA. A comprehensive written good faith offer must include the following elements:

1. A statement of willingness by the PRPs to: conduct or finance the EE/CA and implement the response action(s) selected in the Action Memorandum associated with the EE/CA; conduct or finance the RI/FS and risk assessment for Site soils; and install or finance the installation of downgradient monitoring wells, which is consistent with EPA's SOW and draft CD and provides a sufficient basis for further negotiations;

2. A paragraph-by-paragraph response to EPA's SOW and draft consent decree including a response to any other attached documents;

3. A detailed description of the work plan identifying how the PRPs plan to proceed with the work;

4. A demonstration of the PRPs' technical capabilities to perform: the EE/CA, the response action(s) selected in the Action Memorandum associated with the EE/CA; the Site soils RI/FS and risk assessment; and the installation of the downgradient monitoring wells, including the identification of the firm(s) that may actually conduct the work or a description of the process they will use to select the firm(s);

5. A demonstration of the PRPs' capability to finance: the EE/CA, the response action(s) selected in the Action Memorandum associated with the EE/CA; the Site soils RI/FS and risk assessment; and the installation of the downgradient monitoring wells;

6. A statement of willingness by the PRPs to reimburse EPA for costs incurred in overseeing the PRPs' performance of the EE/CA, the response action(s) selected in the Action Memorandum associated with the EE/CA; the Site soils RI/FS and risk assessment; and the installation of the downgradient monitoring wells; and

7. The name, address, phone number, fax number, and email address of the party or steering committee members who will represent the PRPs in negotiations.

INFORMATION RELEASE

The parties are hereby notified that additional information has been obtained since the issuance of UAO 95-15. EPA is providing the following information as an attachment to this letter.

> An updated list of the names and address of PRPs to whom this notification is being sent. Inclusion on, or exclusion from, the list does not constitute a final determination by EPA concerning the liability of any party for the release or threat of release of hazardous substances at the Site.

DEMAND FOR PAYMENT

With this letter, EPA demands that you reimburse EPA for its costs incurred to date. In accordance with CERCLA, EPA has already undertaken or overseen the performance of certain actions at the Site and incurred certain costs in response to conditions at the Site. The response actions included, but were not necessarily limited to, oversight of the Phase I removal activities required by Order 95-15, oversight of the Phase II removal activities required by Order 95-15; and oversight of all well installation and aquifer testing currently being performed Order 95-15. The costs incurred by EPA through January 31, 1999, are approximately $824,272.45. In accordance with Section 107(a) of CERCLA, demand is hereby made for payment of the above amount plus any and all interest accrued and recoverable under Section 107 of CERCLA.

As indicated above, EPA anticipates expending additional funds during the performance of, among other activities: the EE/CA and implementation of the response action(s) selected in the Action Memorandum associated with the EE/CA; the RI/FS and risk assessment for Site soils; and the installation of the downgradient monitoring wells. You or your company are potentially liable for all costs, including all interest, incurred by EPA during the performance of these activities, including those incurred overseeing the parties conducting the response activities, as well as any activities EPA itself performs at the Site.

PRP STEERING COMMITTEE

EPA recommends that all PRPs meet to select a steering committee responsible for representing the group's interests. Establishing a managable group is critical for successful negotiations with EPA. Alternatively, EPA encourages each PRP to select one person from its company or organization who will represent its interests.

ADMINISTRATIVE RECORD

Pursuant to CERCLA Section 113(k), EPA must establish an administrative record that contains documents that form the basis of EPA's decision on the selection of response actions for the Site. The administrative record files, which contain the documents related to the response actions selected for the Site, will be available to the public for inspection and comment. The primary location of the administrative record for the Site will be EPA's Region IX office, which is located at 75 Hawthorne Street, San Francisco, California.

PRP RESPONSE AND EPA CONTACT PERSON

You are encouraged to contact EPA by April 14, 1999, to indicate your willingness to participate in future settlement negotiations at this Site. Otherwise, you have 60 calendar days from receipt of this notice to provide EPA with a written good faith offer demonstrating your willingness to: perform the EE/CA and to implement the response action selected in the Action Memorandum associated with the EE/CA; perform the RI/FS and risk assessment for Site soils; and install and monitor for a period of time the downgradient monitoring wells. You may respond individually or through a steering committee if such a committee has been formed. If EPA does not receive a timely response, EPA will assume that you do not wish to negotiate a resolution of your liabililites in connection with the Site, and that you have declined any involvement in performing the response activities. In that event, EPA may consider alternative enforcement options, including issuing a Unilateral Administrative Order pursuant to Section 106 of CERCLA for performance of some or all of the response actions set forth above. In addition, you may be held liable by EPA under Section 107 of CERCLA for the costs of the response acitivities EPA performs at the Site and for any damages to natural resources.

Your response to this notice letter should be sent to:

Craig Cooper, RPM (SFD7-4)
U.S. Environmental Protection Agency
75 Hawthorne Street
San Francisco, CA 94105

The factual and legal discussions contained in this letter are intended solely for notification and information purposes. They are not intended to be and cannot be relied upon as a final EPA position on any matter set forth herein.

If you or your attorney have any questions pertaining to this matter, please direct them to David Rabbino, Assistant Regional Counsel, at (415) 744-1336.

Sincerely,

John Kemmerer
Chief, Site Cleanup Branch
Superfund Division

attachments: Outline to the Statement of Work
SNL PRP Distribution List

cc: Craig Cooper, EPA
David Rabbino, EPA
Elizabeth Domagalski, EPA

OUTLINE TO THE STATEMENT OF WORK

Omega Chemical Superfund Site - Whittier, CA
April 1, 1999

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Disclaimer: This EPA Outline of a Statement of Work (OSOW) presents only a framework to the final Statement of Work (SOW) that would be attached to the final version of a negotiated consent decree. All parties are advised that only the final SOW will specify the exact technical work requirements of any negotiated settlement. In order to participate in the preparation of a final SOW, the PRPs receiving EPA's April 1, 1999, Special Notice Letter will be required to submit a written "good faith offer," from which EPA and the PRPs will be able to negotiate and develop and incorporate the necessary detail of the tasks presented in this OSOW.

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Introduction:

PRP Work under this OSOW consists of the two (2) primary tasks:

1) a Groundwater Non-Time Critical Removal Action (NTCRA) which includes three (3) sentinel wells; and,

2) a Soils RI/FS.

An enforceable schedule for each task and deliverable will be determined during the consent decree negotiation period.

All PRP Work outlined in this OSOW shall be required to be performed in accordance with CERCLA and its associated regulations in the National Contingency Plan 40CFR 300. All PRP Work will be subject to the technical oversight of EPA Region 9 as required by CERCLA and the NCP. All PRP Work shall also be performed in accordance with applicable, published EPA Superfund guidance as specified in each Task below and including, but not limited to:

"Guidance for the Data Quality Objectives Process" EPA QA/G-4 dated September 1994;

"Preparation of a U.S. EPA Region 9 Field Sampling Plan for Private and State-Lead Superfund Projects" April 1990;

"US EPA Region 9 Guidance for Preparing Quality Assurance Project Plans for Superfund Remedial Projects, dated April 1990; and ,

"Laboratory Documentation Requirements for Data Validation" dated January 1990.

TASK 1). Groundwater Non-Time Critical Removal Action

The Settling Defendants shall carry out a NTCRA for the containment of groundwater contamination within the area specified in Figure 1. Activities under this task shall be performed in accordance with EPA guidance, including but not limited to: "Guidance on Conducting Non-Time-Critical Removal Actions under CERCLA" EPA540-R-93-057 dated August 1993, and "Presumptive Response Strategy and Ex-Situ Treatment Technologies for Contaminated Ground Water at CERCLA Sites," EPA 540/R-96/023 dated October 1996.

A. Overview of the Goals for the NTCRA:

1. Implementation of a Phase 1a Field Investigation and issuance of a data report;

2. Scoping and Completion of a Streamline Risk Evaluation;

3. Installation and monitoring of all three (3) Sentinel Wells;

4. Conduct routine groundwater monitoring ;

5. Collection of Additional Data to complete EE/CA document;

6. Finalization of assessment of vertical and horizontal extent of groundwater contamination and aquifer hydraulics;

7. Drafting and finalization the Engineering Evaluation/Cost Analysis (EE/CA) document which includes remedy evaluation;

8. Participate and assist with EPA preparation of the Action Memorandum and community relations activities concerning the EE/CA;

9. Conduct hydraulic modeling and any other pre-design activities;

10. Preparation and finalization of required design documentation which implements the groundwater containment system specified in EPA's Action Memorandum associated with the EE/CA;

11. Carrying out construction of the required groundwater containment system; and

12. Carrying out long-term operation, maintenance, and monitoring of the groundwater containment system.

B. Overview of the Deliverables for the NTCRA

Note: All deliverables will be submitted in Draft and Final versions and shall be subject to EPA review and approval as specified in the Consent Decree. The deliverables to be submitted for the NTCRA include, but are not limited to, the following:

1) Phase 1a Data Report;

2) Amendment to the Phase 1a SAP/QAPP;

This document shall be used to scope, design, install, and monitor three Sentinel Wells. It is anticipated that one sentinel well will be installed in the vicinity of where the site contamination crosses underneath Washington Blvd., and the other 2 wells will create a well cluster in the vicinity of Burke Street, approximately within 1000 feet upgradient of City of Santa Fe Springs production well R3. This document will also be used to scope and collect any additional data to prepare the EE/CA.

3) Phase 1a Data Report Addendum;

4) EE/CA Report (per EPA guidance)

5) Basis for Design Document (Streamlined RD Work Plan):

This document shall include, but is not limited to:

- Design objectives
- Design Criteria
- Delivery Mechanism (selection of RA team) (D/B vs D/B/B)
- Design Schedule
- Construction Start Date
- Project Management Plan
- Possible options for re use of treated water as specified in Action Memo

6) 30% Design Report:

This document shall include, but is not limited to:

- Summary of Field Investigation data
- Design Criteria
- Preliminary Plans, drawings, and sketches
- Project Management Plan
- Project Delivery and Construction Schedule
- Construction QAPP/ WP
- Schedule for Operation Maintenance and Monitoring (O M & M) Manual

- Outline for OM&M Manual
- Performance Standard Verification plan
- Construction Contingency Plan (if required)
- Construction Health and Safety (H&S) Plan

7) Draft and Final OM&M Manual.

The OM&M Manual shall include a Start-up/Shakedown Testing Plan and Schedule.

8). Removal Action Completion Report (per EPA guidance)

TASK 2) Soils RI/FS

The Settling Defendants shall carry out a Remedial Investigation/Feasibility Study (RI/FS) for contamination that has come to be located in the vadose zone as a result of releases of hazardous substances on or near the Omega Chemical facility. Activities under this task shall be performed in accordance with EPA guidance, including but not limited to: "Guidance for Conducting Remedial Investigations and Feasibility Studies under CERCLA," EPA540-G/-89/004 dated October 1988, and "User's Guide to the VOCs in Soils Presumptive Remedy," EPA 540/F-96/008 dated July 1996.

A. Overview of the Goals for the RI/FS:

1. Collection of data sufficient to determine the nature and extent of contamination in the vadose zone to support the data needs of the risk assessment, feasibility study, remedial design, ATSDR Public Health Assessment, and Natural Resource Trustee.

2. Scoping and Implementation a soils risk assessment;

3. Collecting physical and chemical data sufficient to conduct the necessary vadose zone and groundwater modeling to support the risk assessment, feasibility study, remedial design, and ATSDR Public Health Assessment data needs;

4. Identify areas of the vadose zone, if any, that constitute an unacceptable risk to human health or the environment;

5. Begin development and screening of remedial alternatives as early during the RI as appropriate;

6. Scoping, designing, and implementing the treatability studies/pilot studies as appropriate;

7. Conducting a feasibility study of potential soil remedial alternatives; and

8. Providing all required data and assistance to EPA concerning the preparation of the Soils Proposed Plan, Record of Decision, and community relations activities.

B. Overview of the Deliverables for the Soils RI/FS.

Note: All deliverables will be submitted in Draft and Final versions and shall be subject to EPA review and approval as specified in the Consent Decree. The deliverables to be submitted include, but are not necessarily limited to, the following:

1). Existing data Summary Report:

This deliverable shall consist of a summary report of existing data reports and conclusions and shall include, but not be limited to:

- a Site History including all current and previous owners and tenants;
- an evaluation of all historic aerial photographs for potential chemical use and release areas;
- an evaluation of all historic chemical use at the Site including chemical usages, types, and volumes; and
- an evaluation of the data quality of historic data and a recommendation for its potential usage in deliverables required under both Task 1 and 2.

2). Streamlined SACM RI/FS Work Plan:

This deliverable shall be consistent with EPA's RI/FS guidance(s) and shall include, but not be limited to:

- Identification of the data needs for the Risk Assessment, Feasibility Study, Remedial Design, ATSDR Public Health Assessment, and Natural Resource Trustee;
- Identification of the data gaps in comparison to the needs identified above and a strategy to fill these data gaps;
  (Note: Preference will be given to soil gas data when characterizing VOC contamination in the vadose zone); and
- Identification of any Preliminary Remediation Goals (PRGs) and Preliminary ARARs; and
- a Presumptive Remedy evaluation.

3) Treatability Study/Pilot Study (TS/PS) Candidates; Technology Meeting (per EPA guidance)

4) TS/PS Work Plan (per EPA guidance).

5) Remedial Investigation Report (per EPA guidance);

6) Risk Assessment Report (per EPA guidance);

7) Feasibility Study Report (per EPA guidance).

Availability of EPA's Model RD/RA Consent Decree

A copy of this document has been provided by the United States to representatives of the Omega PRP Steering Committee. In addition, a copy of this document was published in the Federal Register at 60 FR 38807, and updated on February 25, 1998, at 63 FR 9541. This document is also available through the U.S. EPA's Webpage at: www.epa.gov/oeca/osre/decree.

Should any recipient of this letter desire a hard copy of the Model RD/RA Consent Decree, they can contact David Rabbino (RC-3), Assistant Regional Counsel, U.S. EPA, 75 Hawthorne Street, San Francisco, California. Mr. Rabbino can also be reached at (415) 744-1336.