CASMALIA RESOURCES SUPERFUND SITE

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY • REGION 9 • MAY 2006

Remedial Investigation Update

Settlements Bring Additional Funds

The U.S. Environmental Protection Agency (EPA) invites the public to a community update meeting to be held Thursday, June 1, 2006, from 6:00 p.m. to 8:00 p.m. at the Casmalia Elementary School.

During the meeting, EPA staff will discuss the status of the Site cleanup investigation, geophysics and groundwater modeling activities, replacement of the hazardous waste liquid storage tanks, perimeter air monitoring, and stormwater test discharge plans.

At this same meeting, EPA also will accept public comments on a proposed settlement with beneficiaries and the trustees of two deceased limited partners in Casmalia Resources. The two deceased limited partners were George and Mario Castagnola. The beneficiaries and the trustee have offered $400,000 in exchange for a covenant not to sue by EPA. EPA proposes to enter into an administrative order on consent (AOC) with these parties, subject to thirty (30) days public notice and comment. The comment period begins on May 22 through June 23, 2006. To request a copy of the AOC, please contact Marie Rongone at (415) 972-3891.

For more information, see white insert of this fact sheet.

Si Ud. necesita este folleto en español, llame al 1-800-231-3075.

Casmalia Resources Superfund Site

Community Update Meeting
June 1, 2006 • 6:00 to 8:00 p.m.
Casmalia Elementary School
3491 Point Sal Road

Proposed Settlements
Public Comment Period
May 22 to June 23, 2006
(See white insert sheet.)

Remedial Investigation Fieldwork Conducted

EPA approved the Remedial Investigation and Feasibility Study (RI/FS) work plan in June 2004 (attached). Two phases of field sampling were planned. The first phase was performed in summer and fall of 2004, and winter of 2005. The results of the first phase were presented in an Interim Progress Report (IPR), as described below. The IPR analyzed results of the first phase of data collection and recommended the data to be collected for the second phase. EPA and the Casmalia Steering Committee (CSC) have agreed on the second phase data collection effort. The second phase of field sampling is planned for summer of 2006. The results of the first and second phases of sampling will be presented in an RI Report.

Beginning in July 2004, the CSC spent six months collecting over 900 water, soil, sediment, liquid waste and soil vapor samples for the first phase. These samples cover both on and off-site locations.

EPA collected split samples at 14% of all of the CSC sampling locations to assess the quality and repeatability of the CSC's laboratory data. The samples EPA collected were sent to a separate and independent laboratory.

EPA and the State agencies received the CSC's first submittal of field information in a three-volume set IPR Report in December 2004. The sampling results and the statistical assessment of that data were not complete and did not allow EPA to fully evaluate the sampling results. Since December 2004, the CSC has amended the 3-volume IPR three times in response to EPA comments. EPA is continuing to work with the CSC to obtain information necessary for EPA to approve the IPR. The CSC and EPA plan to fill the data gaps identified during review of the IPR with data from a second sampling effort in summer 2006 including:

- The north edge of the landfill had some moderate findings for volatile organics (acetone, methyl ethyl ketone). Twelve additional soil vapor samples were taken in Fall 2005. Three more will be collected.
- The RCRA Canyon showed some random low-moderate organic and inorganic residuals (barium, metals, tetrahydrofuran, petroleum aromatic hydrocarbons, naphthalene). Trenching in this area found some deeper primary waste. This summer, 18 additional samples will be collected in this region.
- The Central Drainage area and Burial Trench areas indicated some high levels of contaminants (metals, trichloroethylene, vinyl chloride). EPA has requested three additional samples and two groundwater wells, plus some soil vapor probes.
- The area north of the Perimeter Source Control Trench (PSCT) has non-aqueous phase liquids. EPA has requested two additional wells in the burial trench area and six more in the central drainage area to assess the presence, thickness and extent of the material.
- A dense non-aqueous phase liquid (DNAPL) has also been found 500 feet south of the Pesticides/Solvents (P/S) Landfill at depths of 150 feet. EPA is conducting geophysical "mapping" to evaluate this area and the P/S Landfill itself. Geologic data, borehole photographs and other techniques will be used to evaluate the need for additional extraction wells.
- Sampling found waste material at the southern boundary under old roads (solvents, n-nitroso n-butylamine). EPA is requiring additional sampling in this area.
- Although air sampling at the perimeter indicated all non-detects, the photo ionization detectors (PIDs) indicated a few random responses. EPA will take air samples to try and see if individual chemicals can be identified.

The CSC will present the results of the first and second phases of field sampling in an RI Report (RI) that will be drafted in late 2006 or early 2007. After the RI Report, a Feasibility Study (FS) will be conducted to evaluate different cleanup options for the site. The purpose of the RI/FS is to study the nature and extent of contamination, identify the chemicals that are present, determine the areas that are affected, and assess the human and ecological risks associated with exposure to contamination. The results of this RI/FS will define which risks should be reduced and evaluate different methods to reduce the risks. The FS also will compare potential Site remedies to clean up the site. EPA will notify the public and the community of its preferred remedy in a Proposed Plan for cleanup, which will be

available for a 30-day public comment period. After responding to public comments, EPA will select the final remedy for the site and document the selection in a Record of Decision (ROD).

Remaining Work Plan Issues

Geophysical Investigations: The RI/FS work plan calls for the CSC to implement geophysical investigations to help characterize the underground geologic structure of the site. The CSC is performing geophysical studies that use a method called *seismic refraction with tomographic inversion.* The technique uses sound waves to study subsurface geologic structure and layering. A key goal of the effort is to search for and characterize underground "low spots" or depressions in the P/S Landfill that could serve as accumulation pockets for DNAPLs. DNAPLs are pure-phase contaminants that are heavier than water and sink downward into the underlying water-bearing zone. DNAPLs are difficult to remove and can act as a long-term source of groundwater contamination if not removed at their source (e.g., P/S Landfill).

Under EPA oversight, the CSC's contractor completed the geophysical fieldwork in October 2005. Technicians laid out 14 lines of seismic *sources* and *geophones.* The seismic sources send seismic waves into the ground which "refract" when encountering geologic layers with different physical properties. The refracted seismic waves return to ground surface where they are measured by geophones. Geophones are sensors, connected by wires that receive sound waves. The geophones receive and record the refracted sound waves that indicate subsurface layering. CSC and EPA geophysicists are currently using sophisticated computer modeling programs to analyze complex data and develop conclusions about the site's geologic structure.

Groundwater Modeling: The CSC is performing groundwater *modeling* to evaluate groundwater flow patterns at the site. CSC and EPA hydrogeologists are using MODFLOW which is a well-documented groundwater modeling program originally developed by the U.S. Geological Survey. The model will help analyze the rates and direction of groundwater flow and can aid in the evaluation of alternative remedial actions. EPA is working with the CSC to develop a model which closely simulates actual site conditions and will provide meaningful conclusions and predictions regarding groundwater flow and contaminant migration.

The RI/FS work plan left unresolved an issue that is still being discussed by EPA, the State and the CSC.

The CSC has not agreed to the techniques specified by the agencies for installing monitoring devices (piezometers) to detect liquids in and adjacent to the P/S Landfill, citing the potential for encountering waste as a health and safety concern. This piezometer data will be used primarily to determine the adequacy of the P/S Landfill liquid extraction facilities.

Drilling into the P/S Landfill may be necessary to investigate the presence, location, and thickness of DNAPL. The necessity for drilling into the P/S Landfill will be determined after the seismic refraction studies and groundwater flow modeling described above are complete.

Site Operations

Tank Replacement – Four of the six "6 pack" steel tanks that were installed in the 1980's were taken out of service because of their age and condition. Two new tanks were installed to store and separate the liquids extracted from the Gallery Well and Sump 9B.

In September 2004, one of the new tanks experienced a slow leak and was repaired. The inlet piping was reconfigured to be less rigid and allow for thermal expansion. In September 2005, the CSC noted continued bulging and expansion of the tanks and started to prepare a plan to replace the two new tanks. The tank supplier provided new replacement tanks, at no charge, that met the specified wall thickness. The CSC installed the tanks in late January 2006.

The two remaining steel tanks were left in place and reconfigured with plumbing for storage of liquids from the PSCT.

Perimeter Air Monitoring – EPA requested the CSC to install the perimeter air monitoring system (using photo ionization detectors or PIDs) in November 2003. This was in response to requests from the community to provide an understanding of possible offsite releases and to assist in the RI/FS investigations. The perimeter PID system is highly protective as an advanced notification tool since the instruments are very sensitive and the community is located 1.2 miles from the site.

The CSC has submitted quarterly reports over the past two years which present the site's air monitoring data. EPA has provided suggestions to the CSC for enhancing the air monitoring system and reporting of the data. During the time the system has been fine-tuned, there have been no releases of contaminants to the air that would cause any exposure to the community.

EPA also requested that the CSC conduct an audit of the meteorological monitoring equipment to ensure the collection of accurate data. The meteorological data can be used to interpret air monitoring results and can provide meaningful data to support possible air modeling efforts, if necessary, to complete the RI and human health risk assessment. EPA is working with the CSC to follow up on the recommendations from the meteorological station audits.

Stormwater Test Discharges - As part of the site's long term stormwater management plan, EPA and the state agencies expect the CSC to begin to discharge clean stormwater collected from the four constructed landfill caps. The caps contain two feet of clean soil on top of an impermeable barrier. EPA plans to have the stormwater discharged to a retention basin and a natural drainage area known as the "B-Drainage" located to the south of the site. The benefits of such discharge include: effective offsite removal of clean stormwater, control of water levels in the ponds, and long term cost efficiencies related to operations and maintenance.

The stormwater from the clean caps was tested in 2002-3 and found to contain levels of chemicals typical of those found in offsite surface waters. In preparation for the discharge, the CSC applied for coverage under the State's General Stormwater Discharge Permit and placed riprap in erosion-sensitive areas in the B-Drainage on the neighboring property.

EPA, the US Fish and Wildlife Services (USFWS), the CSC, and state agencies worked together to develop a program to conduct test discharges to the B-Drainage this spring. The stormwater diversion plan allowed for up to three limited-duration test discharges to coincide with rain storms. Two discharges have occurred, allowing EPA and USFWS to assess the effectiveness of the stormwater system and provide valuable information for future remedial design activities.

Endangered Species Mitigation Plan - To offset potential impacts to threatened and endangered species from any future remedial actions taken on-site, EPA, the USFWS, the CSC, and the state are working on a long term mitigation solution. The current conceptual mitigation proposal includes a wetland in the B-Drainage. The wetland would be designed to provide habitat for several endangered species including the California Tiger Salamander and the California Red-legged Frog. It would also benefit several other endangered species including the Western Spade Foot Toad and the Two Striped Garter Snake. The agencies will work together, over the next several months, to address long term wetland maintenance and operational issues to ensure the success of the wetland.

Enforcement

EPA recently completed 2 *de minimis* liability settlements, one with 26 parties, and a second with 257 parties, and is finalizing a proposed settlement with the heirs of two deceased limited partners of Casmalia Resources, for $400,000. In total, these settlements will add $6.5 Million to site cleanup funds for a total of approximately $105.8 Million recovered to date. Additional settlement offers are planned for the future.

The current funding totals from all settlements include:

De Minimis Settlements		
430 parties	$26.5 million	1999
25 parties	$8.1 million	2001
192 parties	$11.2 million	2004
26 parties	$1.8 million	2006
257 parties	$4.3 million	2006
Major Settlements	$31.6 million	2003
State Settlement	$15 million	2002
Hunter Settlement	$6.9 million	2002
Limited partners of Casmalia Resources		
	$0.4 million	2006

In addition, the CSC pays for and conducts all Phase I activities, including the RI/FS and has paid for certain early actions at the site.

For Further Information, Please Contact:

Remedial Project Managers

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Settlement with Heirs/Trustee:*

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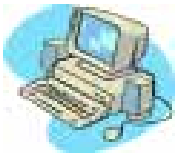
*Note: Between May 10 and May 17, please contact Karen concerning this settlement.

U.S. EPA Region 9
75 Hawthorne Street
San Francisco, CA 94105
(800) 231-3075 Toll-Free Message Line



U.S. EPA's Web Site: http://www.epa.gov/region9/waste/sfund/superfundsites.html

Information Repositories

You may review extensive background information related to the Casmalia Resources Superfund Site, at either of the following locations:

Santa Maria Library
420 South Broadway
Santa Maria, CA
(805) 925-0994
Mon. to Thurs.: 10am to 9pm, Fri. and Sat.:10am to 6pm

EPA Superfund Record Center
95 Hawthorne Street
San Francisco, CA 94105
(415) 537-2000
Mon. thru Fri.: 8:30am to 4:30pm

Casmalia Resources
Remedial Investigation Update and Request for Comments on Proposed Settlements

Si Ud. necesita este folleto en español, llame al 1-800-231-3075.

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United States Environmental Protection Agency, Region 9
75 Hawthorne Street (SFD-3)
San Francisco, CA 94105
Attn: Jackie Lane (Casmalia 5/06)

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REQUEST FOR PUBLIC COMMENTS
PROPOSED SETTLEMENTS
CASMALIA DISPOSAL SITE

This sheet provides information about a proposed settlement with parties that sent waste to the Casmalia Hazardous Waste Disposal Facility (the Site). The parties to these two settlements are the beneficiaries and the trustee of two trusts that hold the assets of George and Mario Castagnola, who were limited partners in Casmalia Resources. George and Mario Castagnola are deceased. The heirs and trustee will pay $400,000 to resolve any concern that the United States Environmental Protection Agency (EPA) might pursue the assets or attempt to hold any one of them liable at the Site.

Settlement History

In 1997, EPA entered into a settlement with a group of approximately 50 parties known as the Casmalia Steering Committee (CSC). The CSC agreed to perform cleanup actions at the site, in part with their own funds and in part with funds to be collected by EPA from other parties that disposed of waste at Casmalia. Prior "cashout" settlements include *de minimis* settlements with 430 parties in 1999, 25 parties in 2001, 192 parties in 2004, and two separate settlements in 2006 for 26 parties and another for 257 parties. EPA also settled with the State of California in 2002, the facility owner/operator in 2002 and other "major" waste generators in 2003. Prior cashout settlements have resulted in payments totaling more than $100 million.

Proposed Settlements

The parties to these settlements are the heirs and trustee of trusts that hold the assets of two deceased limited partners in Casmalia Resources. Although the two limited partners had been deceased for many years, the trustee did not distribute the assets out of concern that EPA might pursue the assets and attempt to hold the trustee liable if it distributed the assets. In 2004, the trustee petitioned the Superior Court of California to allow the trustee to reserve $400,000 in perpetuity to provide a buffer against any action against the trustee, whereupon the trustee would distribute the assets. EPA proposed that the amount be paid to EPA instead, and be used for the benefit of the Site.

Public Comment

The 30-day public comment period on these proposed settlements will run from May 22, 2006 to June 23, 2006. A public hearing will be held on June 1, 2006 from 6:00 p.m. - 8:00 p.m. at the Casmalia Elementary School, **3491 Point Sal Road, Santa Maria, CA**.

If you wish to submit written comments on the proposed settlements, refer to Casmalia Resources Superfund Site, Santa Barbara County, California. Please send your signed original comments to Marie Rongone (ORC-3), US Environmental Protection Agency, 75 Hawthorne Street, San Francisco, CA, 94105, postmarked by June 23, 2006. You may fax comments to her by June 23, 2006, at (415) 947-3570 or send e-mail comments by June 23, 2006 to Rongone.Marie@epa.gov.

EPA will consider all comments it receives during this period, and may modify or withdraw its consent to settlement if any comments disclose facts or considerations indicating that the settlement is inappropriate, improper, or inadequate.