

**POST-CLOSURE PERMIT PLAN**

**TECHALLOY COMPANY, INC.  
Perris, California**

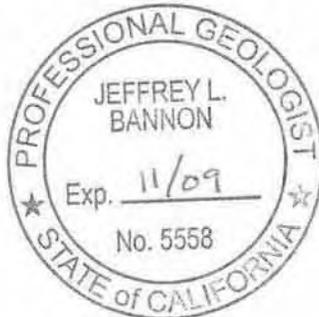
**January 2008**

Prepared for:

**TECHALLOY COMPANY, INC.**  
2500 "A" Street  
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Prepared by:

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**//Original signed by//**

\_\_\_\_\_  
Jeffrey L. Bannon, RG  
Project Manager

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**1.0 INTRODUCTION**

The following Post-Closure Permit Plan (Plan) provides information required for renewal of post-closure permit for three closed surface impoundments and the existing wastewater treatment system (WWTS) located on the Techalloy Company, Inc. (Techalloy) property in Perris, California. This Plan, prepared by Weston Solutions, Inc. (WESTON) replaces a previous Plan prepared by the Mark Group in December 1993 (the 1993 Plan) and approved by the Department of Toxic Substances Control (DTSC) in May 1996.

Since this Plan is part of permit renewal, the DTSC agreed to allow for some required material to be referred from the 1993 Plan, without repeating. As appropriate, certain historical information that is contained in the 1993 Plan and other supporting documents that have been submitted to the DTSC over the years is incorporated by reference.

In addition to renewing the post-closure permit for the closed surface impoundments, the following Plan incorporates closure requirements for the existing WWTS. The WWTS operated under a Resource Conservation and Recovery Act (RCRA) hazardous waste treatment permit (Part B permit) issued by the DTSC, but is now operating under a Permit-by-Rule (PBR) permit from Riverside County since the WWTS no longer treats RCRA hazardous waste. A December 2, 2005 class 2 permit modification to the Post Closure Permit terminated requirements for financial guarantees from WWTS operations.

**2.0 GENERAL INFORMATION**

**2.1 Part A Application**

The Part A application has been completed and provided to DTSC under separate cover.

**2.2 Part B Certification**

I certify under penalty of law that this document and all attachments were prepared under my direction or supervision in accordance with a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to be the best of my knowledge and belief, true, accurate, and complete. I am aware there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations.

//Original signed by//

Signature

*[Handwritten signature]*

Date

12/19/2007

HELENE LOPES  
Name

Title

V.P. - U.S. OPERATIONS

## 2.3 General Description

Techalloy owns and operates a specialty stainless steel and nickel wire products manufacturing facility located at 2500 "A" Street, Perris, California (Figure 1). The stainless steel and nickel alloy wire produced is used by the aerospace and other related industries. The operating facility occupies approximately seven acres within 20 acres of property owned by Techalloy and consists of three main buildings. Metal finishing operations are conducted in the western-most building (Wire Cleaning, Figure 2) which is also the location of the current wastewater treatment system. Three closed evaporation ponds are located behind (west) of the wire cleaning building. These ponds were used to collect wastewater from the wire-finishing operations conducted in the adjacent wire cleaning building and are considered the source of impact to groundwater of metals and other general minerals.

### 2.3.1 Contact Information

Owner of Facility	Techalloy Company, Inc. 6509 Olson Road Union, IL 60180
Name of Facility	Techalloy Company, Inc. Perris Wire Plant
Mailing Address	2500 "A" Street Perris, CA 92570
Type of Industry	Manufacture of specialty stainless steel and nickel wire
Waste Management Facility	Three surface impoundments closed in place
Corporate Contact	Mr. Henry Lopes, Vice President, Operations (203) 438-5445
Site Contact	Mr. George Wood, Plant Engineer (951) 657-2105
EPA I.D. Number	CAD 059277137

### 2.3.2 Facility History

The Techalloy facility was constructed on vacant property in 1965. Three surface impoundments (Figure 2) were designed and constructed during the mid-1960s. These impoundments were designed to receive spent acids, sludge, and rinse water from the metal finishing operations at

this plant. Wastewater containing elevated concentrations of chromium, nickel, fluoride, copper, nitrates, sulfates, and total dissolved solids (TDS) were discharged to the impoundments for evaporation at a maximum discharge rate of 1,500 gallons per day. The wastewater was classified as hazardous waste according to section 261.32 of Title 40 of the Code of Federal Regulations and section 66262.32 of Title 22 California Code of Regulations.

Until approximately 1979, the process wastewater was managed in the three on-site evaporation ponds or surface impoundments. Discharge to Pond 2 and Pond 3 ceased in 1979. Pond 1 continued to receive wastewater until 1985 at which time a wastewater treatment system (WWTS) was put into operation and discharge to Pond 1 ceased. Ponds 2 and 3 contained synthetic liners and Pond 1 contained a synthetic liner over concrete base.

The WWTS operated under a RCRA Part B permit until 2002 when the treatment and process operations were re-configured so that no that the WWTS no longer treated RCRA hazardous waste. The WWTS is now operating under a Permit-by-Rule (PBR) permit from Riverside County approved on July 24, 2002. A December 2, 2005 class 2 permit modification to the Post Closure Permit terminated requirements for financial guarantees from WWTS operations.

#### 2.3.2.1 Pond Closure

A routine visual inspection was performed by the California Regional Water Quality Control Board (RWQCB), Santa Ana Region in 1984. During the inspection, the RWQCB staff discovered that the integrity of the liners of Pond No.3 was not adequate. As a result, the RWQCB issued a Cleanup and Abatement Order on October 29, 1984. This Order required Techalloy to remove and neutralize all remaining sludge in that impoundment, to investigate and report the extent of impacted soil and groundwater, and to recommend corrective actions.

In May 1986, Techalloy filed a Closure Plan with the former California Department of Health Services (DHS) which detailed the procedures to be followed for in-place closure of the three ponds, and included details on the engineered cap. The Closure Plan was approved in 1988 and the ponds were closed and capped by July 1989. Certification of pond closure was provided to the DHS in the Report of Closure Installation, Surface Impoundments (Mark Group, August 1989).

As part of the pond closure, sludge material from Ponds 2 and 3 were neutralized on site, excavated and hauled off-site for disposal at an approved off-site facility. Approximately 220, 16-yard loads of neutralized sludge material and visibly impacted soil beneath the liner were removed for off-site disposal. Sludge material in Pond 1 was neutralized on site and remained in Pond 1 on top of the concrete base. The estimated volume of sludge left in Pond 1 is approximately 30,000 cu-ft (1,111 cu-yd).

All three ponds were backfilled with clean soil to required grade level, and covered with an engineered cap. Details of the cap construction are provided in the Closure Plan and included

emplacement of a low-permeability clay cap above the backfilled soil, a layer of 60-mil high density polyethylene (HDPE) sheeting above the clay cap, a geomembrane liner above the HDPE, and soil above the geomembrane to establish ground cover. The entire area is surrounded by a v-ditch to control drainage.

#### 2.3.2.2 Regulatory History and Previous Investigations

Techalloy initiated site investigation activities in 1985, the same year that discharge to the final pond (Pond 1) ceased. A review of regulatory and investigation history is provided below.

- 1985 - First set of monitoring wells installed as part of an initial hydrologic assessment.
- December 1988 - Techalloy entered into a Consent Agreement with the U.S. Environmental Protection Agency (U.S. EPA). Under the agreement, Techalloy was directed to conduct a RCRA Facility Investigation (RFI).
- December 1988 – Ceased use and cleaned waste pile area as required in the Consent Agreement.
- July 1989 – Completed pond closure.
- August 1989 – Filed certification of pond closure.
- 1990-1991 – Conducted RFI.
- October 1991 – RFI approved by U.S. EPA.
- 1992 – DTSC became lead agency for water quality monitoring.
- April 1992 – Submitted Water Quality Monitoring and Response Plan (WQMRP) as part of the Post-Closure Permit Plan.
- August 1993 – Submitted Corrective Measure Study (CMS).
- January 1994 – DTSC approved amended WQMRP.
- May 1995 – U.S. EPA issued Final Statement of Basis for corrective measure.
- May 1996 – DTSC approved Post Closure Plan granting closed status for the ponds.

- August 1996 – Submitted Corrective Measures Implementation Plan (CMIP) to U.S. EPA. Plan committed to three years of groundwater extraction followed by project review.
- September 1996 – U.S. EPA approved CMIP. Start date for implementation contingent on approval of modification to existing RCRA Part B permit to allow for treatment of the extracted groundwater.
- October 1997 – DTSC approved modification to Part B permit.
- March 1998 – Completed Initial Stage 1 of corrective measures. Scope of work included conducting pump tests on source area wells and design of the extraction program.
- June 1998 – Began groundwater extraction from two source area wells (MW-1 and MW-3R) at approximately 6,000 gallons per week.
- July 2001 – Submitted initial review of findings from 3-year extraction program to U.S. EPA. Recommended discontinuing groundwater extraction and continued groundwater monitoring.
- November 2001 – U.S. EPA agreed to discontinuation of groundwater extraction at end of 2001, and continuation of monitoring under continued Stage 1 corrective measures. Required submittal of report formalizing findings presented in July 2001.
- January 2002 – Discontinued groundwater extraction.
- April 2002 – Submitted Interim Report on Stage 1 Corrective Measures Implementation to U.S. EPA. Report committed to two additional years of expanded groundwater monitoring under CMI program.
- July 2002 – Received approval for operation of the WWTS under Permit-by-Rule since WWTS no longer treats RCRA hazardous waste.
- April 2004 – Completed additional two years of monitoring completing CMI program.
- June 2004 – Submitted Final Report, Corrective Measures Implementation to U.S. EPA. Report recommended no additional CMI activities, and continued groundwater monitoring under DTSC oversight to satisfy post-closure monitoring requirements.
- April 2006 – DTSC approved Class 3 Permit Modification redefining the facility size from 101 acres to slightly over 20 acres. The remaining 81 acres to be set aside for possible sale as residential development property.

## **2.4 Post-Closure Notices**

All information required for post-closure notices were provided in the 1992 Post Closure Permit (Mark Group, December 1993). Location of the required information is provided below.

- Survey Plat – Appendix I of 1993 Plan.
- Record of Wastes – Section 3.2, and Appendices A and H of 1993 Plan.
- Deed Notation – Appendix J of 1993 Plan.

## **2.5 Other Federal Laws**

Techalloy believes they are in compliance with all federal laws.

## **3.0 FACILITY DESCRIPTION**

### **3.1 Facility Location**

The operating portion of the Techalloy facility occupies approximately seven acres within 20 acres of property owned by Techalloy. The physical plant is located in the southeast corner of the property (Figure 3). On April 25, 2006, the DTSC approved a Class 3 Permit Modification redefining the facility size from 101 acres to slightly over 20 acres; the remaining 81 acres to be set aside for possible sale as residential development property. The northern 81 acres were sold in May 2006 for development. Techalloy retained approximately 20 acres in the southeast for continued operation of the facility and maintenance of the closed surface impoundments. Further discussion of the April 2006 permit modification resulting in re-definition of the site boundaries is provided in Section 15.

The operating facility consists of three main buildings. Metal finishing operations are conducted in the western-most building (Wire Cleaning, Figure 2) which is also the location of the current wastewater treatment system. The three closed evaporation ponds are located behind (west) of the wire cleaning building. These ponds were used to collect wastewater from the wire-finishing operations conducted in the adjacent wire cleaning building and are considered the source of impact to groundwater of metals and other general minerals.

The facility is situated within the city limits of Perris in Riverside County, California. The Techalloy facility is located in T5S-R3W, Sec.7, NW1/4 of the U.S. Public Land Survey Grid. The legal description is as follows:

Lots 4, 5, 6, and 7 of Johnson's Subdivision of the North half of Section 7, Township 5 South, Range 3 West, San Bernardino Base and Meridian, as shown by Map on file in Book 15, Page 705 of Maps, Records of San Diego County, California.

Areas to the north, south, and east of the facility are relatively flat, while the area to the west of the facility is hilly (Figures 4 and 5). The facility is located at the outskirts of town and is surrounded by open fields and low hills. The closest development is a residential community located approximately 0.4 miles north (upgradient) of the facility. The open fields surrounding the facility are occasionally farmed for non-irrigated grasses.

In general, the local topography (and groundwater flow) gently slopes south-southeast towards the San Jacinto River located approximately 1,800 feet south of the facility (Figure 5). The San Jacinto River is the main drainage channel in the area and drains southwestward into Railroad Canyon Reservoir located approximately two miles southwest of the facility. The San Jacinto River, as it exists near the Techalloy facility, is a shallow unlined channel that is dry most of the year except during and after significant rainfall typically greatest during the winter months of January to April. Average annual rainfall in the area is approximately 12 inches per year.

### **3.2 Topographical Maps**

Required maps and figures are referenced below.

- Regional and local topographic contours are provided in Figures 4 and 5.
- Floodplain map is provided in Figure 6.
- Surrounding land use is shown on Figure 3.
- Wind rose of from the SCAQMD Perris monitoring station is provided in Figure 7.
- Survey of the closed impoundments was provided in the Report on Closure of Surface Impoundments (Mark Group, August 1989), included in Appendix I of 1993 Plan (Mark Group, December 1993).

### **3.3 Floodplain**

Figure 6 shows the Techalloy facility occurs in Zone X, which is classified as outside of the 100-year floodplain. Documentation on the engineering measures implemented to prevent washout of the engineered cap is provided in Appendices A and E of the 1993 Plan (Mark Group, December 1993).

## **4.0 CLOSURE AND POST-CLOSURE PLAN**

The closure and post-closure plans were provided in Appendix A of the 1993 Plan (Mark Group, December 1993).

## **5.0 SECURITY**

### **5.1 Security Requirements**

The closure cap is enclosed by a 6-foot high chain-link fence which is topped by barbed wire. Warning placards are attached to the fence facing outward at regular-spaced intervals. Access to the closed ponds is only available via existing gates onto the operating facility. These gates are monitored during working hours, and locked after hours.

Warning placards with the legend “Caution Hazardous Waste Area – Unauthorized Persons Keep Out” are posted in sufficient numbers around the closure area. The signs are written in English and Spanish and are legible from a distance of at least 25 feet.

Maintenance and/or repair of the fence and warning placards will be made as part of monthly inspections as outlined in Section 7. Damage to the chain-link fence that, based on the assessment of the Techalloy engineer, compromises the integrity of the closure cap security will be repaired. Warning placards that are lost or damaged will be replaced as soon as a suitable replacement can be obtained.

Access gates and locks are maintained as necessary to assure proper working condition. Maintenance and/or repair/replacement of the gates and/or locks will be based on observations made during the monthly inspections by the Techalloy engineer.

### **5.2 Emergency Preparedness**

Most emergency situations that would affect an operating facility are not considered a significant threat to the closed surface impoundments. There is little chance of exposure to remaining waste beneath the engineered cap even during a fire. There is no monitoring equipment that requires maintenance, no spill containment requirements, and no threats considered as a result of a power outage.

## **6.0 FINANCIAL RESPONSIBILITY**

### **6.1 Cost Estimate**

Table 1 provides a current cost estimate for post-closure care. This cost is re-evaluated yearly to review requirements for financial responsibility.

### **6.2 Financial Responsibility Mechanisms**

Techalloy maintains financial assurances for closure and post-closure in the form of a standby letter of credit and trust agreement issued by the Bank of Nova Scotia, International Trade

Services pursuant to regulations issued under authority of the California hazardous waste laws. A copy of the most recent irrevocable standby letter of credit issued on February 8, 2005 is provided in Appendix A.

## **7.0 INSPECTION AND MAINTENANCE**

### **7.1 Closure Structures**

Details on the closure structures have been provided in the 1993 Plan (Mark Group, December 1993); specifically in Appendix A (Closure and Post Closure Plan) and Appendix I (Report of Closure Installation, Surface Impoundments).

### **7.2 Cap, Run-On and Run-off Control Maintenance**

Maintenance of the closure cap, and run-on and run-off control systems will be performed as indicated from the monthly and quarterly inspections or the inspections performed after severe storms or other natural events. Such maintenance can include the following:

- Maintenance of the vegetative cover.
- Replacing lost soil that may be lost due to erosion.
- Control of burrowing rodents.
- Clearing debris from the surface drainage “V” ditch run-off control system.
- Repair of the perimeter 4-inch sub-drain system.
- Repair of damage to the closure cap resulting from settling or subsidence.

Maintenance of the vegetative cover will be generally limited to the mowing of the naturally occurring grasses and other annual weeds that make up the bulk of the vegetative cover. Since the vegetative cover is composed of native species, watering in addition to the naturally occurring precipitation is not required. Mowing will be performed at least once per year at the end of the local rainy season and following maturation of plant growth for that season.

Damage to the vegetative cover caused by other natural events such as wildfire or severe sheet erosion will be repaired by using an appropriate method such as re-seeding or by covering the affected area with straw hay. Promotion of the growth of the native vegetative cover will be repaired per the specifications noted in Appendix I of the 1993 Plan (Mark Group, December 1993).

Should the vegetative cover be damaged during the rainy season, and the potential for sheet erosions considered by the Techalloy engineer to be a threat to cap integrity, an emergency procedure will be implemented to protect the cap soils from erosion. Such an emergency measure can include covering the affected area with plastic sheeting. Other emergency measures may be performed by Techalloy as deemed necessary to prevent damage to the closure cap soils.

Replacement of the soil portion of the cap that may be lost due to erosion will be performed as indicated from the monthly inspections and/or inspections made following severe storms. Soil washed away as a result of erosion will be replaced and compacted per the specifications as noted in the Appendix I of 1993 Plan (Mark Group, December 1993).

The control of burrowing rodents will be implemented as needed based on the monthly inspections by the Techalloy engineer or technician. The type of control measure will be at the discretion of the engineer but will be appropriate for the observed level of infestation. Such control measures may include trapping, injection of toxic gasses into the subsurface burrows (for example, carbon monoxide), or the use of poisonous bait approved for rodents.

Surface water run-on and run-off is controlled by a "V" ditch surrounding the entire cap. All surface run-on is collected in the "V" ditch and directed around the cap to the discharge point at the southeast corner of the cap. Debris will be cleared as necessary from the surface drainage "V" ditch run-on and run-off control systems to ensure unobstructed flow of storm water. Typical debris that may require removal includes minor amounts of soil washed from the closure cap or surrounding area due to run-on, and wind blown trash and occasional tumble weeds. Cracks that may occur in the concrete of the drainage "V" ditch that, in the professional opinion of the Techalloy engineer, pose a threat to the integrity or effectiveness of the drainage system will be repaired. As a rule, hairline cracks will not be repaired.

The perimeter 4-inch sub-drain system will be repaired as necessary as indicated from the post-closure care area inspections. The need for repair to the sub-drain system may result from accidental damage to the standpipes caused during mowing of the vegetative cover. To help prevent this type of damage, the standpipes will be clearly marked prior to commencement of mowing activities.

Repair of damage to the closure cap resulting from settling or subsidence will be performed by an independent qualified engineer registered in California. Settling or subsidence was given consideration in the design of the closure cap and the need for such repairs are considered very unlikely. However, should inspection of the cap indicate the possibility of settling or subsidence of the cap, and investigation will be performed immediately to assess whether the synthetic liner and/or sub-drain system has been damaged. Following the assessment of the damage, appropriate repairs will be made to restore the cap to its original design specifications. If repairs are required during the rainy season, necessary measures will be taken to prevent the infiltration of rain water past the synthetic liner into the closed unit. Such measures may include the covering of the damaged area with plastic sheeting during periods of rainfall. The appropriate measure(s) to be implemented will be at the discretion of the engineer.

### 7.3 Inspection Plan

Inspection of the post-closure care area will be conducted in order to verify that the closure cap is in proper condition. The security system and the groundwater monitoring system (well heads) will also be inspected for evidence of tampering and/or damage. The post-closure care area inspection will include the following:

- Condition of the security system including the chain link fence, access gates and locks, and posted warning placards.
- Condition of the closure cap including evidence of erosion, cracks, settling/subsidence, burrowing rodents, and condition of the vegetative cover.
- Condition of surface drainage “V” ditch run-on and run-off control system including cracks and blockage with debris.
- Condition of the groundwater monitoring well system.

The post-closure care area (cap and security) will be inspected on a monthly schedule by an authorized Techalloy facility engineer or designated technician. The areas to be inspected include the security fence, closure cap, and perimeter drainage system. More frequent inspections will be made as required to check for potential damage caused by severe storms or other natural events. An inspection check list form will be used and filled out by the inspector during each inspection round to maintain consistency and assure that all items to be inspected are not missed. A copy of the inspection form to be used at Techalloy is included in Table 2.

The groundwater monitoring system will be inspected during the routine groundwater measurement and sampling events as described in Appendix B. The inspection will be performed by the same independent qualified engineer performing the groundwater measurement and sampling activities.

Any deficiencies noted during the inspections that require remedial action will be repaired as soon as reasonably practical. These repairs will be documented on the inspection forms.

The cap will be re-surveyed every 10 years to evaluate potential displacement or subsidence. Comparison of survey results from the initial for July 1989 and the most recent survey in July 2004 show little to no subsidence has occurred during the current permit (Appendix C).

## **8.0 MONITORING REQUIREMENTS/MONITORING PLAN**

The monitoring plan is limited groundwater monitoring consist with current requirements. The revised Water Quality Monitoring and Response Program (WQMRP), including the Sampling and Analysis Plan is provided in Appendix B.

## **9.0 ENVIRONMENTAL MONITORING AND RESPONSE PROGRAMS FOR AIR, SOIL, AND SOIL-PORE**

Since the waste is confined within a closed surface impoundment, the potential for release to air, soil and soil-pore gas is very low. Environmental monitoring for air, soil and soil-pore gas are not necessary consistent with the current post-closure permit as discussed in Appendix B.

## **10.0 AIR EMISSION STANDARDS FOR PROCESS VENTS**

Not applicable since the closed cap contains no process vents.

## **11.0 AIR EMISSION STANDARDS FOR EQUIPMENT LEAKS**

Not applicable since the closed cap contains no equipment.

## **12.0 AIR EMISSION STANDARDS FOR TANKS, SURFACE IMPOUNDMENTS, AND CONTAINERS**

Not applicable since the closed cap contains no tanks or containers. Air emission from the closed cap is not considered a potential since the waste material is not volatile and the cap will eliminate the generation of fugitive dust.

## **13.0 SEISMIC REQUIRMENTS**

Seismic considerations were incorporated into the cap closure design as provided in the current Post-closure Permit Plan (Mark Group, December, 1993). In addition, the Revised Operation Plan, Hazardous Wastewater Treatment Facility (Tanks and Containers), Techalloy Company, Inc., Revision 3 (Mark Group, May 1990) noted the following:

“[The facility] is not located within 200 feet of a fault which has had displacement in Holocene time and is not located in an Alquist-Priolo Special Studies Zone. In addition, no faults which have had displacement in Holocene time are present within 3,000 feet of the facility and no lineations which suggest the presence of a fault which has had displacement in Holocene time are present within 3,000 feet of the facility.”

The 1990 Operation Plan references the “Geologic Map of California, Santa Ana Sheet” (California Division of Mines and Geology, 1978) and the “Geology of the Lakeview-Perris Quadrangles, Riverside County, California” (California Division of Mines and Geology, 1972).

#### **14.0 CORRECTIVE ACTION FOR SOLID WASTE MANAGEMENT UNITS**

Not applicable since the closed cap does not contain any solid waste management units.

#### **15.0 POTENTIAL REDEVELOPMENT INFORMATION**

On April 25, 2006, the DTSC approved a Class 3 Permit Modification redefining the facility size from 101 acres to slightly over 20 acres. The permit modification re-defined the site boundaries to identify approximately 20 acres in the southeast for continued operation of the facility and maintenance of the closed surface impoundments. The remaining 81 acres north of the facility is to be set aside for possible sale as residential development property. The northern 81 acres were sold to a developer in May 2006.

Prior to approval of the Class 3 Permit Modification, Techalloy entered into a Covenant to Restrict Use of Property and Environmental Restriction (Land Use Covenant) with the DTSC on April 11, 2006. The Land Use Covenant, among other items, prohibits certain use on the 20-acre property, requires notifications and incorporation of the restrictions on future sales, deeds and leases, requires maintenance of the engineered cap, prohibits the installation or operation of groundwater supply wells on the property, and provides access to the property by the DTSC and U.S EPA. On April 25, 2006 the DTSC provided a Land Use Covenant Implementation and Enforcement Plan to Techalloy (dated April 24, 2006) to supplement provisions of the Land Use Covenant regarding notification requirements and access provisions.

**APPENDIX A**  
**LETTER OF CREDIT**

Jul-07-2005 01:51pm From=THELEN REID &amp; PRIEST,LLP

+2135768080

T-536 P.008/010 F-052

**Thelen Reid & Priest LLP**  
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213.667.1867 Direct Fax  
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Tel. 213.576.8000  
Fax 213.576.8080  
www.thelenreid.com

June 9, 2005

VIA MESSENGERMs. Florence Gharibian, Branch Chief  
Statewide Compliance Division  
Department of Toxic Substances Control  
1011 North Grandview Avenue  
Glendale, CA 91201Re: Final Assurance For Closure, Post-Closure and Liability For  
Technalloy Company, Inc.  
EPA ID# CAD 059 277 137

Dear Ms. Gharibian:

Enclosed please find the original of an Amendment to the Letter of Credit issued by the Bank of Nova Scotia. This Amendment provides for drawing on the Letter of Credit at its office in New York City. As your staff has been previously advised, the operations of that branch are regulated by the Federal Government. This amendment addresses the requirements spelled out in your letter of May 27, 2005. If you have any questions, please do not hesitate to call me.

Thank you for your attention.

Very truly yours,

//Original signed by//

David E. Novitski

Enclosure

DEN/ep/LA #362269 v1

cc: Mr. Gary P. McCormack  
Mr. Henry Lopes  
Mr. Keith Kihara  
Ms. Carmelita Lampino, Unit Chief  
Mr. Aaron Yue, P.E.  
Ms. Kathy San Miguel  
Mr. Safish Gulati, AGPA  
David J. McNiece, C.A.

101-07-2005 01:51pm From-THELEN REID & PRIEST,LLP

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SAM STORMENO

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OTTAWA, ONTARIO, CANADA K1P 6L8 TEL NO : 613-964-5129

DATE: JUNE 6, 2005

AMENDMENT TO IRREVOCABLE  
STANDBY LETTER OF CREDIT NO.  
S40006/219855  
DATED : FEBRUARY 8, 2005  
AMOUNT: USD 1,206,725.00  
AMENDMENT NUMBER: 2

APPLICANT:  
TECHALLOY COMPANY, INC.  
370 FRANKLIN TURNPIKE  
MAHWAH, NEW JERSEY  
U.S.A. 07430

BENEFICIARY:  
DEPARTMENT OF TOXIC SUBSTANCES  
CONTROL, FINANCIAL RESPONSIBILITY  
UNIT, 8200 CAL CENTER DRIVE  
SACRAMENTO, CALIFORNIA 95826

THIS AMENDMENT IS TO BE CONSIDERED AS  
PART OF THE ABOVE STANDBY LETTER OF  
CREDIT AND MUST BE ATTACHED THERETO.

DEAR SIR(S) :

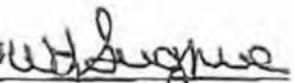
THE ABOVE MENTIONED CREDIT IS AMENDED AS FOLLOWS:

THE FOLLOWING ADDITIONAL CONDITION HAS BEEN ADDED:  
DRAWINGS UNDER THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE HONORED AT  
THE FOLLOWING BRANCH UPON THEIR RECEIPT OF DOCUMENTS IN FULL COMPLIANCE WITH TI  
TERMS AND CONDITIONS OF THIS STANDBY LETTER OF CREDIT:

THE BANK OF NOVA SCOTIA  
NEW YORK AGENCY  
TRANSIT 90095  
ATTN: LOAN OPERATIONS  
1 LIBERTY PLAZA, FLOORS 22-26  
165 BROADWAY  
NEW YORK, NY 10006  
U.S.A.

ALL OTHER TERMS AND CONDITIONS UNCHANGED.

  
AUTHORIZED SIGNATURE/SIGNATURE AUTORISE  
THE BANK OF NOVA SCOTIA/LA BANQUE DE NOUVELLE-ECOSSE  
ORIGINAL  
ADVISING BANK/BANQUE NOTIFICATRICE

W.L. SUGRUE S2333   
AUTHORIZED SIGNATURE/SIGNATURE AUTORISE

ISSUING BANK NOTE: RETAIN IF ISSUED BY BRWF CABLE/PULL CABLE  
NOTE A LA BANQUE EMETTRICE : A CONSERVER SI AVIS BRWF/COMPLET EMIS PAR CABLE  
© The Bank of Nova Scotia. All rights reserved. Le Banque de Nouvelle-Ecosse. Tous droits réservés.

Jul-07-2005 01:50pm From-THELEN REID &amp; PRIEST, LLP

+2135768080

T-636 P.007/010 F-952

**Thelen Reid & Priest LLP**  
*Attorneys At Law*David E. Novitski  
213.576.8087 Direct Dial  
213.887.1897 Direct Fax  
denovitski@thelenreid.com333 South Hope Street, Suite 2900  
Los Angeles, CA 90071  
Tel. 213.576.8000  
Fax 213.576.8080  
www.thelenreid.com

April 27, 2005

VIA FEDERAL EXPRESSMr. Mukul Agarwal  
Department of Toxic Substances Control  
1011 North Grandview Avenue  
Glendale, CA 91201Re: Techalloy Company, Inc.  
Letter of Credit No. S40006/219855

Dear Mr. Agarwal:

Enclosed please find an amendment to the Letter of Credit from the Bank of Nova Scotia raising the amount to \$1.7 million as requested by the Department. This amendment together with the original Letter of Credit in the amount of \$1.2 million will satisfy the Department's requirements. As a result, the Letter of Credit originally issued by Credit Lyonnais in the amount of \$1.7 million on behalf of Techalloy should be released, and returned to me directly. Thank you for your cooperation.

Very truly yours,

//Original signed by//

David E. Novitski

Enclosure  
DEN/ep/LA #357646 v1

Jul-07-2005 01:51pm From-THELEN REID & PRIEST,LLP

+2135768080

T-536 P.008/010 F-952

**STANDARD**  
EASTERN INTL TRADE  
SERVICES,

119 QUEEN ST., 6TH FLOOR,  
OTTAWA, ONTARIO, CANADA K1P 6J8 TEL NO. = 613-764-5129

PAGE: 1  
SAM STAMEND

DATE: APRIL 4, 2005

AMENDMENT TO IRREVOCABLE  
STANDBY LETTER OF CREDIT NO.  
540006/219855  
DATED : FEBRUARY 8, 2005  
AMOUNT: USD 1,208,725.00  
AMENDMENT NUMBER: 1

APPLICANT:  
TECHALLOY COMPANY, INC.  
370 FRANKLIN TURNPIKE  
MAHWAH, NEW JERSEY  
U.S.A. 07430

BENEFICIARY:  
DEPARTMENT OF TOXIC SUBSTANCES  
CONTROL, FINANCIAL RESPONSIBILITY  
UNIT, 8800 CAL CENTER DRIVE  
SACRAMENTO, CALIFORNIA 95826

THIS AMENDMENT IS TO BE CONSIDERED AS  
PART OF THE ABOVE STANDBY LETTER OF  
CREDIT AND MUST BE ATTACHED THERETO.

DEAR SIR(S) :

THE ABOVE MENTIONED CREDIT IS AMENDED AS FOLLOWS:

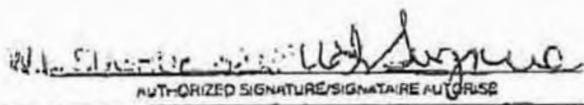
THE AMOUNT OF THIS CREDIT HAS BEEN INCREASED BY USD 493,275.00  
THE AMOUNT OF THIS CREDIT IS AMENDED TO: USD 1,700,000.00 .

ALL OTHER TERMS AND CONDITIONS UNCHANGED.

YOURS TRULY,

THIS DOCUMENT CONSISTS OF 1 PAGE(S).

  
AUTHORIZED SIGNATURE/SIGNATAIRE AUTORISE  
THE BANK OF NOVA SCOTIA/LA BANQUE DE NOUVELLE-ECOSSE  
1 - ORIGINAL 9 - ADVISING BANQUE/BANQUE NOTIFICATRICE  
1 - CUSTOMER/CLIENT 4 - BRANCH/SUCCESSALE

  
AUTHORIZED SIGNATURE/SIGNATAIRE AUTORISE  
ISSUING BANK NOTE. RETAIN IF ISSUED BY BRIEF CABLE/FULL CABLE/SWIF  
(NOTE A LA BANQUE EMETTRICE . A CONSERVER SI AVIS BREF/COMPLET EMIS PAR CABLE/SWIF  
\*\* Trademark of The Bank of Nova Scotia. \*\* Marque de commerce de la Banque de Nouvelle-Ecosse

Jul-07-2005 01:49pm From=THELEN REID & PRIEST,LLP

+2136768080

T-536 P.002/010 F-882



**DLA PIPER RUDNICK  
GRAY CARY**

**DLA Piper Rudnick Gray Cary US LLP**  
1251 Avenue of the Americas  
New York, New York 10020-1104  
T 212.835.6000  
F 212.835.6001  
W www.dlapiper.com

**GARRY P. MCCORMACK**  
PARTNER  
garry.mccormack@dlapiper.com  
T 212.835.8210 F 212.884-8510

February 15, 2005

Mr. Keith Kihara  
California Environmental Protection Agency  
Department of Toxic Substances Control  
Financial Responsibility Unit  
8800 Cal Center Drive  
Sacramento, California 95826

Re: Techalloy Company, Inc.;  
Closure and Post-Closure Letter of Credit  
940503LS002TLY

Dear Mr. Kihara:

I am enclosing a letter, dated February 8, 2005, addressed to you by Techalloy Company, Inc. In its second paragraph, the Techalloy letter refers to copies of a new standby letter of credit and accompanying trust agreement being attached to the letter. Please note that the Techalloy letter should have stated that the enclosed originals of the standby letter of credit and trust agreement are attached.

Sincerely,

**//Original signed by//**

Garry P. McCormack

GPMc/cvs  
Enclosures  
3899059

cc: Ms. Kathy San Miguel, DTSC, Cypress Office  
Margaret Rosegay, Pillsbury Winthrop  
David E. Novitski, Thelen Reid & Priest LLP

Serving clients globally

Jul-07-2006 01:50pm From:THELEN REID &amp; PRIEST,LLP

+2135758080

T-536 P.005/010 F-052

Ottawa Regional Commercial Banking Centre  
119 Queen Street, 6th Floor  
Ottawa, Ontario  
Canada K1P 6L8

February 8<sup>th</sup> 2005.

Department of Toxic Substances Control  
Financial Responsibility Unit  
8800 Cal Center Drive  
Sacramento, California 95826



## IRREVOCABLE STANDBY LETTER OF CREDIT NO.S40006/219855

Dear Sir or Madam:

We hereby establish our Irrevocable Standby Letter of Credit No. S40006/219855 in your favor, at the request and for the account of Techalloy Company, Inc. ("Techalloy"), 2500 "A" Ferris, CA 92570, up to the aggregate amount of \$1,206,725.00, one million two hundred six thousand seven hundred twenty-five in United States dollars, available upon presentation of:

(1) Your sight draft[s] on us bearing reference to this Irrevocable Standby Letter of Credit No. S40006/219855, and

(2) Your signed and dated statement reading as follows:

"We certify that the amount of our draft drawn under the Bank of Nova Scotia, International Trade Services, Irrevocable Standby Letter of Credit No. S40006/219855 is payable pursuant to regulations issued under authority of the California Hazardous Waste Control Law."

Each Draft must be marked "Drawn under the Bank of Nova Scotia, International Trade Services, Irrevocable Standby Letter of Credit No. S40006/219855 dated February 8<sup>th</sup> 2005."

Each draft must also be accompanied by the original of this Irrevocable Standby Letter of Credit upon which we may endorse our payment. This Irrevocable Standby Letter of Credit is effective as of February 8<sup>th</sup> 2005 and shall expire on February 7<sup>th</sup> 2006, but such expiration date shall be automatically extended for a period of at least one year on February 8<sup>th</sup> 2006 and on each successive expiration date, unless at least 120 days before the current expiration date, we notify both you and Techalloy by certified mail that we have decided not to extend this Irrevocable Standby Letter of Credit beyond the current expiration date. In the event you are so notified, any unused portion of the credit shall be available upon presentation of your sight draft for 120 days after the date of receipt by both you and Techalloy, as shown on the signed return receipts.

.../2

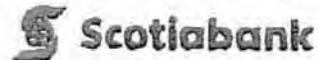
  
ORIGINAL

Jul-07-2005 01:50pm From=THELEN REID &amp; PRIEST,LLP

+2135768080

T-536 P.006/010 F-852

Ottawa Regional Commercial Banking Centre  
119 Queen Street, 6th Floor  
Ottawa, Ontario  
Canada K1P 6L8



-2-

Whenever the Irrevocable Standby Letter of Credit is drawn on, under, and in compliance with the terms of this credit, we shall duly honor such draft upon presentation to us, and we shall deposit the amount of the draft directly in the standby trust fund of Techalloy in accordance with your instructions.

We certify that the wording of this Irrevocable Standby Letter of Credit is identical to the wording required in form DTSC 1157 as specified in California Code of Regulations (Cal. Code of Regs.), Title 22, Division 4.5, Chapter 14 and 15, Article 8.

This credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce, Publication No.500.

THE BANK OF NOVA SCOTIA

Dated in Ottawa, Ontario, Canada this 8<sup>th</sup> day of February 2005.

//Original signed by//

W.L. Sugrue S2333  
Assistant Manager,  
International Trade/Services

//Original signed by//

S.A. Awan A917  
Senior Manager,  
International Trade Services

ORIGINAL

**APPENDIX B**

**WATER QUALITY MONITORING AND RESPONSE PROGRAM**

**(Separate binder)**

**APPENDIX C**

**COMPARISON OF SURVEY RESULTS FOR CAP MONITOR POINTS**



TECHALLOY FACILITY - PERRIS CALIF.

MONITOR POINT LOCATIONS

July 22, 2004  
J.N. 364-003-01

POINT #	INITIAL- DAY 01 - JULY 1989			DAY 02 - JULY 22 2004			DIFF. DAY 01 - DAY 02		
	<u>NORTH</u>	<u>EAST</u>	<u>ELEV.</u>	<u>NORTH</u>	<u>EAST</u>	<u>ELEV</u>	<u>NORTH</u>	<u>EAST</u>	<u>ELEV</u>
1	811.40	618.72	1437.14	811.43	618.68	1437.18	-0.03	0.04	-0.04
2	522.39	627.36	1436.72	522.39	627.36	1436.73	0.00	0.00	-0.01
3	684.23	726.43	1431.00	684.24	726.35	1430.94	-0.01	0.08	0.06
406	500.00	500.00	1442.34	500.00	500.00	1442.34	0.00	0.00	0.00
407	901.72	502.02	1436.06	901.79	502.02	1436.07	-0.06	-0.01	-0.01
14				422.26	544.91	1434.52			
15				937.67	529.01	1436.36			

BASIS OF COORDINATES:

The Coordinate N 500.00 E 500.00 at Point #406 as shown on As-Built Survey map prepared by Centennial Engineering dated July 1989, was used as the basis of coordinates for this survey.  
DATUM = Local

BASIS OF BEARINGS:

The bearing N 0° 17' 16" E between found control monuments as shown on As-Built Survey map prepared by Centennial Engineering dated July 1989, was used as the basis of bearings for this survey.

BENCH MARK NOTE:

On 1" iron pipe & nail shown as point 406 on As-Built Survey map prepared by Centennial Engineering dated July 1989  
Datum = Un-known  
Elevation = 1442.34



PERRIS

4Th Street

ESCONDIDO FREEWAY

Ellis Ave.



A Street

Mopes Rd.

**SITE LOCATION**



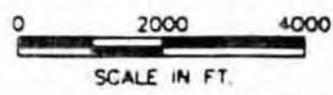
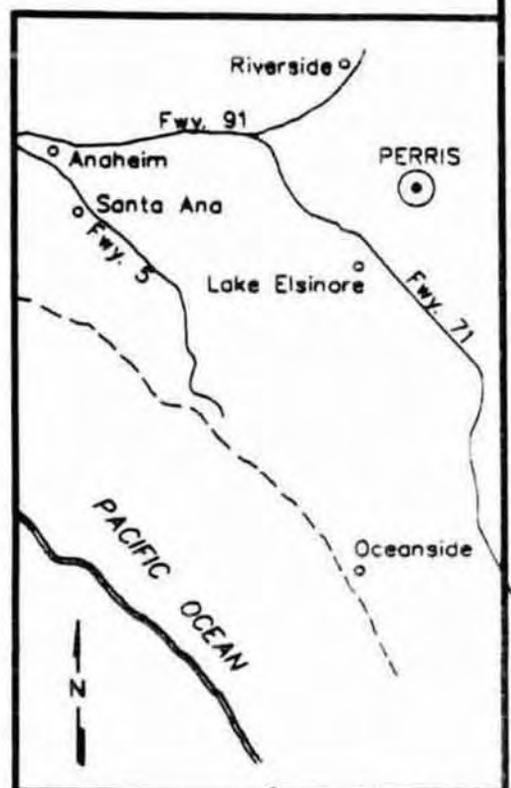
Watson Rd.

River Rd

San

Jacinto

River



**WESTON**

FIGURE 1  
SITE LOCATION MAP

TECHALLOY COMPANY, INC.  
PERRIS, CALIFORNIA