UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105

CERTIFIED MAIL:7001 2510 0006 7303 3873
RETURN RECEIPT REQUESTED

August 9, 2002

Jose Uranga, Senior Counsel
Aerojet- General Corporation
P.O. Box 537012
Sacramento, CA 95853-7012

Re: Unilateral Administrative Order 2002-13
Western Groundwater Operable Unit, Aerojet Superfund Site

Dear Mr. Uranga:

This letter transmits the Unilateral Administrative Order (Order) the United States Environmental Protection Agency (EPA) is issuing to Aerojet-General Corporation and Cordova Chemical Company (collectively "Aerojet") requiring implementation of the remedy selected for Western Groundwater Operable Unit (also known as OU3) in the Record of Decision dated July 20, 2001.

In a letter dated May 3, 2002, EPA issued a Special Notice letter to Aerojet requesting its participation in consent decree negotiations to conduct the Remedial Action for OU3. The Special Notice letter requested that Aerojet demonstrate its willingness to negotiate the consent decree by making a good faith offer. Subsequently, on July 12, 2002, EPA received an offer from Aerojet. EPA has determined that Aerojet's offer fails to meet the threshold of a good faith offer for the reasons enumerated below.

First, Aerojet's offer does not address all of the Remedial Action Objectives (RAOs) of the remedy selected for OU3. Aerojet fails to address the short-term and long-term water replacement contingency plans required by the ROD. Instead, Aerojet urges EPA to 'defer for now negotiations over the replacement water provisions...." EPA cannot agree to defer implementation of the short-term and long-term water replacement contingency plans required by the ROD. The contamination from the Aerojet facility has already forced closure of nine (9) drinking water supply wells which previously had the capacity to produce thousands of gallons per minute of potable water. The aquifer beneath the Aerojet facility and the Rancho Cordova area is the primary source of drinking water for the residents of Sacramento County and nearby areas. It is critical that local residents have a supply of drinking water while groundwater quality is being restored.

Second, instead of responding to the EPA Statement of Work (SOW) which was attached to the Special Notice letter, Aerojet submitted its own draft SOW for the purported reason of accelerating implementation of the remedial action. Aerojet stated that "EPA's SOW would require a very time-consuming review and approval process as Aerojet goes through the remedy design and construction phase." EPA disagrees with this statement. Aerojet could have and

should have utilized the EPA SOW to incorporate its specific recommendations. The EPA SOW is performance based which allows for flexibility. For instance, the EPA SOW allows for accelerated implementation of Pump and Treat (P&T) at the leading edge of the plume and allows for use of decentralized treatment plants. The EPA SOW does not preclude the use of Sacramento County storm drains to transport treated groundwater to the American River, if it is determined to be feasible during Remedial Design. Finally, the review and approval process in the EPA SOW is consistent with Agency practice and accepted industry standards. For instance, while the EPA SOW has provisions for submissions of a conceptual preliminary Remedial Design, and a Pre-final/Final Design, the Pre-final Design submission, if adequate and approved by EPA, can serve as the Final Remedial Design document.

Upon receipt of this letter and the attached Order, Aerojet has five (5) days to notify EPA of its intent to comply with the Order. If Aerojet notifies EPA that it does not intend to comply, EPA will seek to enforce the requirements of the Order by court action.

It is EPA's understanding that the California Regional Water Quality Control Board (Central Valley Region) and the Department of Toxic Substances Control (collectively "State") intend to issue parallel orders under State authorities with an identical scope of work. The purpose of these parallel orders is to allow EPA and the State to effectively continue their joint enforcement action to remediate the Aerojet Superfund Site.

If you have any technical questions regarding the Site or this letter, please contact:
Charles Berrey, SFD-7-2
U.S. EPA
75 Hawthorne St.
San Francisco, CA 94105
(415) 972-3146

Please direct any legal questions to:
Thelma K. Estrada, ORC-3
U.S. EPA
75 Hawthorne St.
San Francisco, CA 94105
(415) 972-3866

My staff and I look forward to working with you to implement the remedy.

Sincerely,

Jane Diamond
Acting Director
Superfund Division

Enclosures
cc: Alex MacDonald, RWQCB
Ed Cargile, DTSC