

CASMALIA SITE NEWSLETTER
CASMALIA RESOURCES HAZARDOUS WASTE MANAGEMENT FACILITY
SANTA BARBARA COUNTY
SEPTEMBER 1996

U.S. Environmental Protection Agency, Region 9, San Francisco, California

EPA Reaches Agreement with Coalition of Entities *Site Work to Begin Immediately*

Agreement Reached

The United States Environmental Protection Agency (EPA) has reached agreement with a coalition of 49 public and private entities called the Casmalia Steering Committee (CSC), regarding the remediation of the Casmalia Resources Hazardous Waste Management Facility. The agreement is embodied in a Consent Decree, which is a legal document that is lodged with the federal court and which sets forth the terms and conditions under which the CSC will carry out its commitments.

Why Was This Agreement Needed?

The Casmalia Resources Hazardous Waste Management Facility, located in Santa Barbara County, California, is an inactive commercial hazardous waste treatment, storage, and disposal facility that accepted billions of pounds of wastes from 1973 to 1989 under its interim authorization. The facility ceased operating and accepting wastes in 1989. Subsequently, the facility's owners/operators, Kenneth Hunter, Jr., his partners, and Casmalia Resources, Inc., claiming financial difficulties, abandoned efforts to properly and permanently close the facility. In late 1992, faced with an inadequate closure trust fund, the State of California asked EPA to step in as the lead regulatory agency. EPA responded by undertaking emergency response activities, while concurrently seeking voluntary cleanup by Potentially Responsible Parties (PRPs), the former customers of the facility.

In 1993, EPA notified 65 of the largest PRPs of their potential liability at the Site. Approximately 50 of these public and private entities formed a coalition called the Casmalia Steering Committee, and commenced settlement negotiations with the EPA. Due to complex regulatory and legal issues and parallel negotiations with other entities, EPA recognized a need to integrate its hazardous waste and cleanup programs, and implement an innovative and comprehensive enforcement approach. Crafting and reaching an agreement has taken approximately three years of intense effort, which has resulted in this settlement and the commitment by the CSC to immediately initiate Site work.

What Does the Agreement Do?

The agreement lays out the work to be done to properly and permanently close the facility, a schedule for performing the work, and a mechanism for financing the work. The agreement ensures that critical work at the Site will begin immediately. It also allows EPA to devote future resources to Site remediation rather than to costly legal disputes, and serves as a model for other sites across the country. The work at the Site is divided into Phases I through IV, which are discussed below.

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What Is Phase I Work?

Seven days after the Consent Decree is lodged with the U.S. District Court for the Southern District of California, the CSC will start the Phase I work at the site. Phase I is estimated to take approximately five years to complete.

The CSC will begin Phase I work by immediately taking over the emergency response activities currently being performed by EPA. These activities include: 1) pumping, collecting, and treating the contaminated liquids from the Perimeter Source Control Trench (PSCT), the Gallery Well, and Sump 9B, 2) monitoring and sampling the contaminated liquids before and after treatment, 3) getting the Site ready for the coming winter, 4) providing Site security, and 5) maintaining and repairing site facilities and roads.

Soon thereafter, the CSC will initiate efforts to improve the control of Site-related groundwater contamination by effectively using the existing groundwater capture systems such as the PSCT, Gallery Well and Sump 9B; and if appropriate, by adding new facilities that can be expeditiously installed. The CSC will work to minimize the generation of contaminated groundwater by designing and installing caps on the landfills. The first landfill that will be capped is the Pesticides/Solvents Landfill because it contains the most toxic mobile contaminants. The CSC also will design the caps for the remaining landfills as part of Phase I.

Other work to be done by the CSC during Phase I is the collection of additional information to more accurately characterize the Site. This will allow EPA to determine any future response actions needed at the site, including the final remedy. In addition, the CSC will design the facilities associated with the response actions that EPA selects, develop and implement both a site maintenance and a groundwater monitoring program, provide community/public information support to EPA, and develop cost estimates for the Site. The CSC also has committed to providing \$50,000 for funding of independent technical advisors to help the community interpret or comment on the work that will be done by the CSC.

What is Phase II Work?

Phase II work will begin approximately two to three years after the start of Phase I and will be completed approximately 12 years after lodging of the Consent Decree. It consists of the construction of the remaining landfill caps and facilities designed in Phase I. Once these facilities are constructed, they will be operated by the CSC for five years to establish a baseline operation and maintenance period to enable EPA to monitor the performance and effectiveness of the response actions selected. During Phase II, site maintenance, groundwater monitoring, and community/public information support will continue.

What is Phase III Work?

Phase III begins the period of long-term operation and maintenance of the facilities. It will last for 30 years after the end of the Phase II.

What is Phase IV Work?

Phase IV is the continued long-term operation and maintenance of the facilities from the end of Phase III until facilities are no longer needed.

What Happened to the Owners/Operators of the Site?

Kenneth Hunter, Jr., his business partners, and Casmalia Resources, Inc., who are the owners/operators of the Casmalia Site, are not part of the Consent Decree between EPA and the CSC. EPA has been negotiating with Mr. Hunter on a separate settlement to secure sufficient money from him for Site-related work. If these ongoing discussions are not successful, EPA will pursue Mr. Hunter, his partners, and the business interests through other means, such as litigation.

Who Will Finance the Different Phases of Work?

The CSC will pay for all Phase I work, estimated to cost approximately \$30 million. While Phase I work is being done, EPA will seek financial contributions from the thousands of additional former customers of the Casmalia facility to pay for Phases II, III and IV. EPA will do this through a procedure called “cashout settlements.” In essence, these former customers will be offered a chance to settle their legal liability at the site by providing funding. In order to implement the “cashout settlement” procedure, the former customers of the facility will need to be identified, located, and contacted. Such an effort will involve a considerable amount of administrative work and resources. Consequently, part of the CSC’s obligation under the Consent Decree is to assist EPA in this administrative effort.

There are other ways that EPA can obtain needed funds for the Site. If a former customer chooses not to participate in “cashout settlements”, EPA could order the non-participant to do certain work at the Site, or EPA could demand repayment of costs it has incurred at the site. There is also \$10 million remaining in a trust fund that was established years ago as a regulatory requirement to pay for closure of the facility. The trust fund will be reserved for Phase III to help finance the long-term operation and maintenance period.

Who Will Perform the Different Phases of Work?

The CSC will perform all Phase I work, regardless of cost. The CSC will also perform Phase II work, pending the availability of funding from “cashout settlements” and other sources. The entity who will perform the Phase III and Phase IV work and specifics of such work is beyond the scope of the current Consent Decree, and is not resolved at this time. Nevertheless, as described above, EPA envisions securing the financing for these later phases, and has set forth a procedure for doing so in the Consent Decree.

What Will Be EPA’s Role?

EPA will continue to be the lead regulatory agency at the Site through Phase II, and during this time, will have responsibility for overseeing all of the CSC’s work. EPA will make all final decisions on matters concerning the Site, and determine any future response actions, including the final remedy. The CSC will perform the work under Phases I and II and will be responsible

for proposing methods for doing the Site work, meeting all applicable laws, regulations, and standards, obtaining any necessary permits, and complying with the provisions of the Consent Decree. All work performed and proposals made by the CSC is subject to EPA's approval. EPA will continue to seek the involvement of the State of California, primarily the Department of Toxic Substances Control and the Regional Water Quality Control Board, in carrying out EPA's lead agency responsibilities. The State will be kept informed and will be consulted on matters concerning the site and the technical work performed under the Consent Decree.

Because the implementation of Phases III and IV is more than 12 years in the future, it has not been decided which regulatory agency is the most appropriate lead for these phases. However, the Consent Decree does provide a mechanism for ensuring that discussions among appropriate state and local agencies are undertaken prior to the end of Phase II.

What Will Happen Next?

The next several weeks mark the transition of activities between EPA and the CSC. EPA will begin the demobilization of its emergency response operations and equipment upon the takeover of such activities by the CSC seven days after lodging of the Consent Decree. Although EPA no longer will be performing the actual emergency response work at the Site, EPA staff and contractors will remain at the Site during the CSC takeover period to ensure a smooth transition, uninterrupted operations, and continue protection of the nearby community and the environment. EPA also has recently hired a field oversight coordinator who will be stationed at the Site once EPA's emergency response crew has completed its demobilization process.

How Will the Community Be Involved?

EPA has scheduled two additional meetings on the Consent Decree. On October 9, EPA will sponsor a workshop with various information stations to discuss and explain the work to be performed under the Consent Decree and other current Site activities. On October 15, EPA will hold a public comment hearing to provide a forum for the community to give oral and/or written comments on the Consent Decree. The Consent Decree is available for public review at the following Casmalia site information repositories for the convenience of those living and working in the Santa Maria, Santa Barbara and San Luis Obispo areas:

University of California Davidson Library Government Document Unit Santa Barbara, CA 93103 805-893-3713	Santa Maria Library 420 South Broadway Santa Maria, CA 92454 805-937-6483	Cal Poly State University Kennedy Library Government Document Dept. Map Section (3rd Floor) San Luis Obispo, CA 93407 805-756-1364
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EPA is committed to meeting with the community on a monthly basis for the next six months. During this six-month period, the frequency of the meetings can be determined after discussion with the community and other interested parties.

Consent Decree Meetings Schedule:

Information Workshop	October 9, 7:00 pm	Betteravia Gov. Center	Santa Maria
Public Comment Hearing	October 15, 7:00 pm	Betteravia Gov. Center	Santa Maria

Spanish translations will be available at each of the above meetings.

Written comments on the Consent Decree will be accepted 30 days after notice in the Federal Register, and should be sent to:

Assistant Attorney General
Environment and Natural Resources Division
U.S. Department of Justice
Washington, D.C. 20530

Refer to: United States v. ABB Vetco Gray Inc.
D.J. Ref. 90-7-1-633A

**CASMALIA RESOURCES SITE CONSENT DECREE
LIST OF SETTLING DEFENDANTS**

ABB Vetco Gray Inc.	Oil & solvent Process Company, a subsidiary of Chemical Waste management, Inc.
Aerochem, Inc.	
Aerojet General Corporation	Pacific Gas & Electric Company
Atlantic Richfield Company (ARCO)	Pacific Offshore Pipeline Company
Caspian Inc.	The Proctor & Gamble Manufacturing Company
Chevron Corporation	Reynolds Metals Company
City Of Oxnard	R.G.G.L. Corporation
Clairol, Inc.	Rhone-Poulenc Inc.
Coastal Oil & Gas Corporation	Rockwell International Corporation
Conoco Inc.	Rohr, Inc. (Formerly Rohr Industries, Inc.)
Deutsch Company	Romic Environmental Technologies Corporation
The Dow Chemical Company	Shell Oil Company
Everest & Jennings International	Shiple Company, Inc.
Exxon Corporation	Southern California Gas Company
Gemini Industries, Inc.	Southern Pacific Transportation Company
General Dynamics Corporation	Square D Company
General Electric Company	Teleflex Incorporated
General Motors Corporation	Texaco Inc.
Hughes Aircraft Company, and its subsidiaries	Todd Pacific Shipyards Corp.
Lever Brothers Company	Union Oil Company of Calif., Inc. dba Unocal
	Union Pacific resources Company

Lockheed Martin Corporation
(merged entity for Lockheed Corp)

McDonnell Douglas Corporation

Mobil Oil Corporation

New VICI, Inc.
(For Gonzales/Monterey Vineyard)

Northrop Grumman Corporation

Union Pacific Railroad Company

USPCI for Solvent Service

Zeneca Inc.

Zycon Corporation

This list includes 49 entities. Two additional members of the Casmalia Steering Committee have informally approved the Consent Decree, but have not yet formally signed a signature page. If these parties complete the signature process, the United States will add them as Settling Defendants to the Consent Decree.