

Council Meeting of
May 4, 2010

Honorable Mayor and Members
of the Torrance City Council
City Hall
Torrance, California

Members of the Council

**SUBJECT: Community Development – Approve License Agreement with
Montrose Chemical Corporation for three (3) groundwater
monitoring wells**

RECOMMENDATION

Recommendation of the Community Development Director that City Council approve a License Agreement with Montrose Chemical Corporation for three (3) groundwater monitoring wells.

FUNDING

No funding required.

BACKGROUND AND ANALYSIS

The United States Environmental Protection Agency (EPA) has directed Montrose Chemical Corporation of California, as owner of the former property located at 20201 Normandie Avenue in Los Angeles, to install three (3) monitoring wells in the City of Torrance. The purpose of the wells is to monitor for possible chlorobenzene contamination, which may have migrated from the former Montrose trunk sewer line west of Western Avenue.

Montrose is requesting to install three (3) groundwater monitoring wells to be located in the public right-of-way. Exhibit "A" of the License Agreement (Attachment A) shows the locations for these proposed wells. Attachment B is the addendum to the License Agreement for monitoring wells. Attachment C is a letter from AECOM explaining the need for the proposed groundwater monitoring wells and the necessity for the wells to be located in the street.

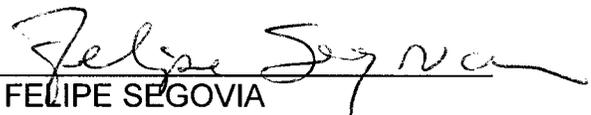
The EPA had indicated that the potential plume migration south of the former trunk sewer line must be monitored. Therefore, the wells will be installed in Del Amo Boulevard west of Gramercy Place, Gramercy Place south of Del Amo Boulevard, and 205th Street west of Manhattan Place. The wells will be installed in the parking lane of these streets and will have minimum impact or disruption of existing vehicular traffic.

A copy of the License Agreement with Montrose is attached. This agreement required a \$30,000 bond, a \$770 license fee, and a \$1,000,000 liability insurance policy. This License Agreement exempts the City from any financial or legal encumbrances associated with the construction, operation, and relocation or actions required as a result of test data obtained from said wells.

The drilling, installation, and development of the proposed wells will take six (6) days. The borehole will be eight (8) inches in diameter and approximately 120 feet deep. The monitoring wells will be four (4) inches in diameter. A traffic vault will be set flush with the ground surface and contain a locking watertight cap. A Construction and Excavation permit will be required by the Community Development Department to regulate work in the public street.

Respectfully submitted,

JEFFERY W. GIBSON
Community Development Director

By: 
FELIPE SEGOVIA
Building Regulations Administrator

CONCUR:


LEROY J. JACKSON
City Manager


JEFFERY W. GIBSON
Community Development Director

Attachments: A. License Agreement with Exhibit "A"
 B. Addendum to License Agreement for Monitoring Wells
 C. AECOM letter

IGM/cks2278

LICENSE AGREEMENT FOR MONITORING WELLS

THIS AGREEMENT, made and entered into in quadruplicate as of this _____ day of April, 2010 in the City of Torrance by and between the **CITY OF TORRANCE**, a municipal corporation, hereinafter called the “City,” and Montrose Chemical Corporation of California, a Delaware corporation, hereinafter called “Grantee;”

WHEREAS, Grantee desires to drill three (3) groundwater monitoring wells on a City street easement at locations shown on attached map (Exhibit A) (“Facilities”); and

WHEREAS, the location and general description of the Facilities is satisfactory to the City; and

WHEREAS, said Facilities are for the purpose of determining the extent of, if any, chlorobenzene south of the former sewer line west of Western Avenue in the City of Torrance hereinafter called “Site”.

NOW, THEREFORE, the parties hereto agree as follows:

The City hereby grants to Grantee for the term of ten (10) years from the effective date of this Agreement, subject to extensions at the discretion of the City, subject, further, to all the special and general provisions attached hereto and made a part hereof, the right and privilege to construct, erect, maintain, operate, repair, renew, remove and abandon the Facilities for determining the extent of chlorobenzene south of the former sewer line west of Western Avenue in the City of Torrance as described and shown on Exhibit “A” attached hereto and made a part thereof.

GENERAL PROVISIONS

I. LOCATION OF FACILITIES - The Facilities shall be located as described and shown in Exhibit “A”.

II. INSTALLATION OF FACILITIES

A. Time of Construction. The Grantee, in good faith, shall commence the work of installing the Facilities within 30 days from the date of this Agreement and shall complete such construction within 30 days after commencing construction.

B. As-Built Drawings and Maps. Within ninety (90) days following the date in which any Facilities have been constructed under this Agreement, the Grantee shall submit to the City as-built drawings and maps in such form as may be required by the City, showing accurately the location and size of all its Facilities then in place, and shall, upon installation of any additional Facilities, or upon removal, change or abandonment of all or any portion thereof, submit revised as-built drawings and maps showing the location and size of all such additional, removed or abandoned Facilities as of that date.

- C. Other Approvals. The installation and operation of the Facilities shall be to existing requirements of the City of Torrance and the EPA.
- D. Installation and Testing of Facilities. The Facilities shall be installed, sampled and tested in substantial accordance with a workplan prepared by Montrose's consultant, AECOM, for Montrose, and approved EPA, as may be amended or modified, with approval of EPA and notice to the City of Torrance.

III. CONFORMANCE REQUIREMENTS

- A. Conformance with State Codes. The Facilities shall be constructed in accordance with all State of California Standards for the construction of wells as set forth in State laws, rules or regulations.
- B. Conformance with City Ordinances and Permits. The Facilities shall be constructed in conformity with all City ordinances, rules or regulations in effect at the time of construction, or as prescribed by the City.
- C. Conformance with County Departments of Public Health and Environmental Health Regulations and Requirements. The well shall be constructed and maintained in accordance with standards, regulations, or existing requirements of the Los Angeles County Departments of Public Health and Environmental Health.
- D. In the event that Grantee conducts any work at the Site, it will maintain the Facilities on the Site and immediately surrounding areas in a safe, clean and neat manner to the reasonable satisfaction of the Environmental Division of the Community Development Department of the City. Any containers stored on the Site must be screened from public view.

IV. CLEANUP OF BREAKS AND LEAKS

If any portion of any street shall be damaged by reason of Grantee's construction, operation or maintenance of any Facilities installed or maintained under this Agreement, or if any street, sidewalk, sewer, storm drain or other facility be contaminated due to operations by the Grantee, the Grantee shall, at its own expense, immediately repair or clean up or cause to be repaired or cleaned up any such damage or contamination and put such street, sidewalk, sewer, storm drain or other facility in substantially as good condition as it was before such contamination, to the reasonable satisfaction of the City. Such cleanups shall be accomplished in a timely manner, with as little public disruption as possible.

V. EMERGENCY CREWS

During the term of this Agreement, the Grantee shall provide within a twenty-four (24) hour notification, crews for the purpose of repairs, cleanup, preventing or

minimizing serious immediate damage or the threat of damage to people or the environment in the event of an emergency resulting from an earthquake, act of war, civil disturbance, flood, leakage or other cause.

VI. REARRANGEMENT OF FACILITIES

- A. Expense of Grantee. If, during the existence of this Agreement, the City shall change the grade, width, or location of any street or improve any street in any manner, including the laying of any sewer, storm drain, conduits, gas, water or other pipes owned or operated by the City or any other public agency, or construct any pedestrian tunnels, or other work of the City (the right to do all of which is specifically reserved to the City without any admission in its part that it would not otherwise have such rights) and such work shall, in the opinion of the City, render necessary any change in the position or location of any facilities of the Grantee in the street, Grantee shall, at its own cost and expense, do any and all things to effect such change in position or location, in conformity with the written notice of the Community Development Director as provided in Paragraph D below.
- B. Expense of Others. If any alteration to the Grantee's Facilities is requested for the accommodation of any person, firm or corporation, the cost of such rearrangement shall be borne by the accommodated party. Such accommodated party, in advance of such rearrangement, shall (a) deposit with the Grantee either cash or a corporate surety bond in an amount, as in the reasonable discretion of the Grantee shall be required to pay the costs of such change in work; and (b) shall execute an instrument agreeing to indemnify, defend and hold harmless the Grantee from any and all damages or claims caused by such rearrangement.
- C. Rearrangement of the Facilities of Others. Nothing in this Agreement contained shall be construed to require the City to move, alter or relocate any of its facilities upon said streets, at its own expense, for the convenience, accommodation or necessity of any other public utility, person, firm or corporation, or to require the City or any person, firm or corporation now or hereafter owning a public utility system of any type or nature, to move, alter or relocate any part of its system upon said streets for the convenience, accommodation or necessity of the Grantee. If the Facilities cannot be located as described in Exhibit "A", Grantor shall furnish Grantee with another reasonable acceptable location for such Facilities in the immediate vicinity.
- D. Notice. The Grantee shall be given not less than sixty (60) days written notice of any change or relocation of Facilities which the Grantee is required to make hereunder. Such notice shall specify in reasonable detail the work to be done by the Grantee and shall specify the time that such work is to be accomplished. In the event that the City shall change the provisions of any such notice given to the Grantee, the Grantee shall be given an additional period not less than sixty (60) days to accomplish such work.

VII. REMOVAL OR ABANDONMENT OF FACILITIES

- A. Application to City. At the expiration, revocation or termination of this Agreement or of the permanent discontinuance of the use of its Facilities or any portion thereof, the Grantee shall, within thirty (30) days thereafter, make a written application to the City for authority (as determined by the Grantee) either (a) to abandon all, or a portion, of such Facilities in place; or (b) to remove all, or a portion, of such Facilities. Such application shall describe the Facilities desired to be abandoned or removed by reference to the map or maps required by Article II, Section B, of this Agreement and shall also describe with reasonable accuracy the relative physical condition of such Facilities.
- B. Determination of City. The City shall determine whether such abandonment or removal which is thereby proposed may be effected without detriment to the public interest or under what conditions such proposed abandonment or removal may be safely effected. The City shall then notify the Grantee in writing within 30 days following its receipt of Grantee's application, and according to such reasonable conditions as shall be specified that the Grantee may either effect such abandonment or such removal shall, as appropriate, within ninety (90) days thereafter, either:
1. Remove all or a portion of such Facilities; or
 2. Abandon in place all or a portion of such Facilities, as set forth in the Community Development Director's order.
- C. Failure to Properly Abandon. If any Facilities to be abandoned in place subject to prescribed conditions shall not be abandoned in accordance with all such conditions, then the City may make additional appropriate orders, including, if deemed desirable, an order that the Grantee shall remove all such Facilities in accordance with applicable requirements. In the event the Grantee shall fail to remove any Facilities which the Grantee is obligated to remove in accordance with such applicable requirements within such time as may be prescribed by the City, then the City may remove or cause to be removed such Facilities at the Grantee's expense and the Grantee shall pay to the City the actual cost thereof plus the current rate of overhead being charged by the City for reimbursable work.

VIII. INDEMNIFICATION BY GRANTEE

- A. Grantee will indemnify, defend, and hold harmless City, the City Council, each member thereof, present and future, its officers, agents and employees from and against any and all liability, expenses, including reasonable defense costs and reasonable legal fees, and claims for damages whatsoever, relating to Grantee's activities under this Agreement, including, but not limited to, those arising from breach of contract, bodily injury, death, personal injury, property damage, loss of use, or property loss, however the same may be caused, and, regardless of the

responsibility for negligence. The obligation to indemnify, defend and hold harmless includes, but is not limited to, any liability or expense, including reasonable defense costs and legal fees, arising from the negligent acts or omissions, or willful misconduct of Grantee, its officers, employees, agents, subcontractors or vendors. It is further agreed, Grantee's obligations to indemnify, defend and hold harmless will apply even in the event of concurrent negligence on the part of City, the City Council, each member thereof, present and future, or its officers, agents and employees, except for liability resulting solely from the negligence or willful misconduct of City, its officers, employees or agents. Payment by City is not a condition precedent to enforcement of this indemnity. In the event of any dispute between Grantee and City, as to whether liability arises from the sole negligence of the City or its officers, employees, agents, subcontractors or vendors, Grantee will be obligated to pay for City's defense until such time as a final judgment has been entered adjudicating the City as solely negligent. Grantee will not be entitled in the event of such a determination to any reimbursement of defense costs including but not limited to attorney's fees, expert fees and costs of litigation.

- B. Grantee shall indemnify and hold harmless the City, its officers, agents and/or employees from and against all claims, costs, expenses, actions, lawsuits, expenses of response, remediation, or cleanup costs, or damages and liability of any kind whatsoever, including but not limited to attorney fees and expenses, resulting from the release or threatened release of a hazardous substance from the Facilities caused by the acts, omissions, or activities of, Grantee, or its consultant under this Agreement. This provision shall not apply to any action brought by a third party against the City. Grantee expressly covenants, warrants and promises not to sue the City, its officers, agents and/or employees in any action for contribution or indemnification for any remediation cleanup costs or response which Grantee undertakes as a result of the release of hazardous substances from the Facilities resulting from its activities under this Agreement from the Site.

This indemnity shall continue in full force and effect, and shall survive the termination of this agreement.

IX. INSURANCE REQUIREMENTS

- A. Insurance.¹ Grantee shall use reasonable efforts to procure and maintain, for the duration of the contract, insurance against claims for injuries to persons or damages to property which may arise from, or in connection with, the use of City of Torrance property thereunder by the Grantee, its' agents, representatives, employees or subcontractors. The insurance must be full coverage, or if self-insured, such self insurance must be approved by the City's Risk Manager.

¹ See Addendum to License Agreement for Monitoring Wells dated April ____, 2010, by and among the City, Grantee and AECOM Technical Services, Inc. (formerly known as Earth Tech, Inc.).

1. Automobile Liability, including non-owned and hired vehicles, with at least the following limits of liability.
 - a. Primary Bodily Injury with limits of at least \$250,000 per person, \$500,000 per occurrence and;
 - b. Primary Property Damage with limits of at least \$100,000 per occurrence, or;
 - c. Combined single limits of at least \$500,000 per occurrence.
2. General Liability including coverage for premises, independent contractors/vendors, explosion, collapse and under-ground hazards, and contractual obligations with combined single limits of at least \$1,000,000 per occurrence.
3. Pollution Liability with coverage² for:
 - a. Bodily injury, sickness, disease, mental anguish or emotional distress sustained by any person, including death;
 - b. Property damage including physical injury to or destruction of tangible property including the resulting loss of use thereof, clean-up costs, and the loss of use of tangible property that has not been physically injured or destroyed;
 - c. Defense, including costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such compensatory damages, and
 - d. Losses caused by pollution conditions that arise from the operations of the licensee described under the Scope of Services of this contract with combined single limits of at least \$1,000,000 per occurrence.

Grantee shall provide certificates of insurance and/or endorsements to the City Clerk of the City of Torrance before the commencement of work. Grantee or its insurer will provide thirty (30) days written notice of termination or cancellation of coverage that occurs before the expiration date listed on the certificate.

- B. Additional Insured. The City of Torrance, Los Angeles County-Torrance Civic Center authority, Torrance Public Facilities Building Corporation, Torrance Transit System, Redevelopment Agency of the City of Torrance, Torrance Municipal Water Department, elected officials, officers, agents, employees, volunteers, and members of boards and commissions must be named as additional

² Pollution coverage is subject to an exclusion for claims or loss arising from pollution conditions due or associated with DDT, chlorobenzene, benze hexachoride, or degradation of chemicals on, under or migrating from the insured properties (which includes Montrose's former site of operations in Los Angeles, California).

insureds with respect to liability arising out of the operation or property of Grantee.

- C. Sufficiency of Insurers. Insurance required by this contract/purchase order will be satisfactory only if issued by companies rated “B+” or better in the most recent edition of Best’s Key Rating Guide, and only if they are of a financial category of a “VII” or better.
- D. Increase in Requirements. Such insurance shall be maintained by Grantee for the life of Agreement, and each year on the anniversary of this franchise, Grantee will provide updated evidence that such insurance is in force. The City has the right during the term of this Agreement to amend the insurance requirements to increase the amount and scope of coverage. The City covenants that it will not exercise such right in an unreasonable manner.

X. DEFAULT

- A. Effect of Default. In the event that the Grantee shall default in the performance of any of the terms, covenants and conditions herein and such default is curable, the City shall give written notice to the Grantee of such default. In the event that the Grantee does not commence the work³ necessary to cure such default within thirty (30) days after such notice is sent or prosecute such work diligently to completion, the City may declare this Agreement forfeited. Upon giving written notice of forfeiture to the Grantee, this Agreement shall be void and the rights of the Grantee hereunder shall terminate and the Grantee shall execute an instrument of surrender and deliver same to the City.
- B. Force Majeure. In the event Grantee is unable to perform any of the terms of this Agreement by reason of strikes, riots, acts of God, acts of public enemies or other such cause beyond its control, it shall not be deemed to be in default or have forfeited its rights hereunder if it shall commence and prosecute such performance with reasonable promptness as soon as possible to do so.
- C. Cumulative Remedies. No provision herein made for the purpose of securing the enforcement of the terms and conditions of this Agreement shall be deemed an exclusive remedy, or to afford the exclusive procedure, for the enforcement of said terms and conditions, but the remedies and procedures herein provided, in addition to those provided by law, shall be deemed to be cumulative.

XI. SCOPE OF RESERVATION

The enumeration herein of specific rights reserved shall not be construed as exclusive or as limiting and general reservation herein made or as limiting such rights as the City may now or hereafter have in law.

³ Commencement of the work includes preparation of necessary workplans, etc., and Grantee is not obligated to begin any necessary fieldwork within this period of time.

XII. NOTICE

All notices, requests, demands, or other communications under this Agreement must be in writing. Notice will be sufficiently given for all purposes as follows:

- A. **Personal delivery.** When personally delivered to the recipient: notice is effective on delivery.
- B. **First-class mail.** When mailed first class to the last address of the recipient known to the party giving notice: notice is effective three mail delivery days after deposit in a United States Postal Service office or mailbox.
- C. **Certified mail.** When mailed certified mail, return receipt requested: notice is effective on receipt, if delivery is confirmed by a return receipt.
- D. **Overnight delivery.** When delivered by an overnight delivery service, charges prepaid or charged to the sender's account: notice is effective on delivery, if delivery is confirmed by the delivery service.
- E. **Facsimile transmission.** When sent by fax to the last fax number of the recipient known to the party giving notice: notice is effective on receipt, provided that (i) a duplicate copy of the notice is promptly given by first-class or certified mail or by overnight delivery, or (ii) the receiving party delivers a written confirmation of receipt. Any notice given by fax will be deemed received on the next business day if it is received after 5:00 p.m. (recipient's time) or on a nonbusiness day. Addresses for purpose of giving notice are as follows:

Grantee:

Mr. Joseph Kelly, President
 Montrose Chemical Corporation of California
 600 Ericksen Avenue NE, Suite 380
 Bainbridge Island, WA 98110
 Fax: (206) 780-2109

With copies to:

Mr. Paul V. Sundberg
 Project Manager
 10733 Wave Crest Court
 Stockton, CA 95209
 Fax: (209) 474-3617

and

Kelly E. Richardson
Latham & Watkins LLP
600 West Broadway, Suite 1800
San Diego, CA 92101
Fax: (619) 696-7419

City of Torrance:

City Clerk
3031 Torrance Boulevard
Torrance, CA 90503
Fax: (310) 618-2931

Any correctly addressed notice that is refused, unclaimed, or undeliverable because of an act or omission of the party to be notified will be deemed effective as of the first date the notice was refused, unclaimed or deemed undeliverable by the postal authorities, messenger or overnight delivery service.

Any party may change its address or fax number by giving the other party notice of the change in any manner permitted by this Agreement.

XIII. SUCCESSORS

The terms herein shall inure to the benefit of or shall bind, as the case may be, the successors and assigns of the parties hereto.

XIV. ACCEPTANCE OF AGREEMENT

This Agreement is entered and shall be held and enjoyed only upon the terms and conditions herein contained.

XV. AGREEMENT TO BE STRICTLY CONSTRUED AGAINST GRANTEE

The Agreement is granted upon each and every condition herein contained and shall ever be strictly construed against Grantee. Nothing shall pass hereby unless it be granted in plain and unambiguous terms. Each of said conditions is a material and essential condition to the granting of this Agreement.

XVI. SPECIAL PROVISIONS

- A. Bond. For bond provisions, see Addendum to License Agreement for Monitoring Wells dated April __, 2010, by and among the City, Grantee and AECOM Technical Services, Inc. (formerly known as Earth Tech, Inc.).

- B. Fees. As reimbursement for administrative costs in the execution of this Agreement, the Grantee shall pay to the City in lawful money of the United States a fee of Six Hundred Dollars (\$600) and Eighty-Five Dollars (\$85) for each additional well. This payment shall be made to the City prior to the signing of this Agreement and, if made by check, shall be made payable to the City of Torrance.
- C. Independent Laboratory Analysis. Grantee agrees to have all chemical analyses of samples taken from the Facilities, which are the subject of this Agreement, performed by qualified independent laboratories which are mutually acceptable to Grantee and to the City. Grantee also agrees to provide, on request, copies of all final analytical test reports to the City as soon as said reports are available.

CITY OF TORRANCE
A Municipal Corporation

**MONTROSE CHEMICAL
CORPORATION OF CALIFORNIA**
A Delaware corporation

By _____
Frank Scotto
Mayor of the City of Torrance

By _____
Joseph C. Kelly
President

ATTEST:

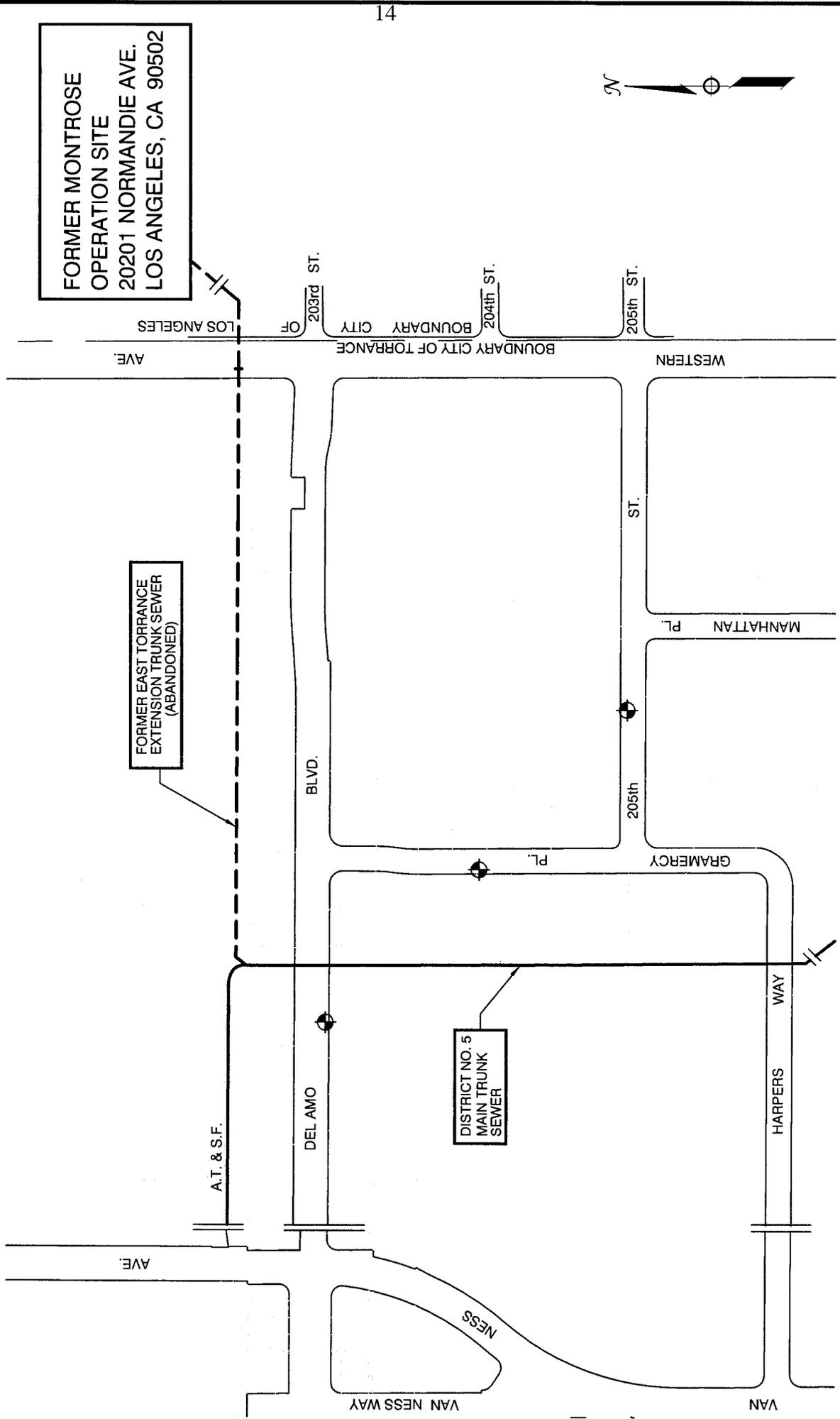
Sue Herbers
City Clerk of City of Torrance

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By _____
Patrick Q. Sullivan
Assistant City Attorney

PROPOSED GROUNDWATER MONITORING WELL FOR MONTROSE CHEMICAL CORPORATION



ADDENDUM TO LICENSE AGREEMENT FOR MONITORING WELLS

THIS IS AN ADDENDUM (“Addendum”) to the License Agreement for Monitoring Wells dated April ____, 2010, by and between the City of Torrance, a municipal corporation, (the “City”), and Montrose Chemical Corporation of California, a Delaware corporation (“Montrose”) (“License Agreement”). This Addendum is made and entered into as of this ____ day of April, 2010 by and among the City, Montrose and AECOM Technical Services, Inc. (formerly known as Earth Tech, Inc.), a California corporation (“AECOM”).

A. Insurance

Pursuant to this Addendum, AECOM, or Montrose’s existing consultant, will procure and maintain, on behalf of Montrose, for the duration of the License Agreement, insurance coverage in the amount required by the City, as follows:

1. Automobile Liability, including owned, non-owned and hired vehicles, with at least the following limits of liability.
 - a. Primary Bodily Injury with limits of at least \$250,000 per person, \$500,000 per occurrence and;
 - b. Primary Property Damage with limits of at least \$100,000 per occurrence, or;
 - c. Combined single limits of at least \$500,000 per occurrence.
2. General Liability including coverage for premises, products and completed operations, independent contractors/vendors, explosion, collapse and under-ground hazards, and contractual obligations with combined single limits of at least \$1,000,000 per occurrence.
3. Pollution Liability with coverage for:
 - a. Bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death;
 - b. Property damage including physical injury to or destruction of tangible property including the resulting loss of use thereof, clean-up costs, and the loss of use of tangible property that has not been physically injured or destroyed;
 - c. Defense, including costs, charges and expenses incurred in the investigation, adjustment or defense of claims for such compensatory damages, and
 - d. Losses caused by pollution conditions that arise from the operations of the licensee described under the Scope of Services of this contract with combined single limits of at least \$1,000,000 per claim.

4. Workers' Compensation with limits as required by the State of California and Employers Liability with limits of at least \$500,000.

AECOM, or Montrose's then existing consultant, shall provide certificates of insurance and/or endorsements to the City Clerk of the City of Torrance before the commencement of work. AECOM, or Montrose's then existing consultant, or their respective insurers will provide thirty (30) days written notice of termination or cancellation of coverage that occurs before the expiration date listed on the certificate. Further, AECOM, or Montrose's then existing consultant, will perform and be bound by Section IX ("Insurance Requirements") of the License Agreement, as it pertains to insurance coverage that AECOM, or Montrose's consultant, might provide on behalf of Montrose, pursuant to this Addendum.

B. Bonding

AECOM, or Montrose's existing consultant, on behalf of Montrose, has now and shall at all times during the life of the License Agreement keep on file with the City a bond running to the City in the sum of Ten Thousand Dollars (\$10,000) per well, executed by a reputable indemnity company entitled to do business in the State of California. The said Bond shall contain the condition that Montrose shall well and truly observe, fulfill and perform each and every term and condition of the License Agreement, and that in case of any breach of condition of said Bond the whole amount of the sum therein named shall be taken and deemed to be liquidated damages and shall be recoverable from the principal and from the sureties upon said Bond. The provisions of this paragraph shall not exempt Montrose from compliance with any of the laws of the City in force during the term hereof which require Montrose to post a Bond other than the bond required by this paragraph.

C. Montrose Consultants

If, prior to expiration or termination of the License Agreement, Montrose ceases to retain AECOM to perform the work described in the License Agreement ("Work") in connection with the Facilities (as defined in the License Agreement), Montrose shall provide thirty (30) days advance notice to the City that AECOM will no longer conduct the Work on behalf of Montrose. AECOM's obligations under the License Agreement and this Addendum shall terminate thirty (30) days after Montrose provides such notice to the City. Upon retention of a new consultant to perform the Work, Montrose shall (i) provide to the City an insurance certificate from the new consultant reflecting the coverage amounts listed in this Addendum and (ii) cause the new consultant to post with the City, on behalf of Montrose, a bond satisfying the requirements contained in this Addendum.

By signing below, the parties acknowledge each of their respective agreement with this Addendum. Other than explicitly stated herein, this Addendum does not alter any provisions of the License Agreement.

[Signature Page Follows]

MONTROSE CHEMICAL CORPORATION OF CALIFORNIA
A Delaware corporation

By _____
Joseph C. Kelly
President

AECOM TECHNICAL SERVICES, INC.
A California corporation

By _____
Travis Taylor
Office Manager

CITY OF TORRANCE
A Municipal corporation

By _____
Frank Scotto
Mayor of the City of Torrance

ATTEST:

Sue Herbers
City Clerk of City of Torrance

APPROVED AS TO FORM:

JOHN L. FELLOWS III
City Attorney

By _____
Patrick Q. Sullivan
Assistant City Attorney



AECOM
3995 Via Oro
Long Beach, CA 90210
www.aecom.com

562 420 2933 tel
562 420 2915 fax

April 26, 2010

Mr. Issa Malki
City of Torrance
3031 Torrance Blvd.
Torrance, CA 90503

Re: **West of Western Supplemental Investigation
Montrose Superfund Site
20201 S. Normandie Avenue, Los Angeles, California**

Dear Mr. Malki:

On behalf of Montrose Chemical Corporation of California (Montrose), AECOM has compiled this letter at your request to summarize activities to date that have led to the proposed supplemental groundwater investigation being conducted by Montrose at the direction of the United States Environmental Protection Agency (EPA). In addition to this summary, additional information on the specific well locations, and well installation has been included in this letter. The EPA letter recommending the supplemental investigation with specific well locations and well construction diagrams have been attached to this letter.

Summary of Activities Related to West of Western Avenue Investigation

On behalf of Montrose, Hargis + Associates (Hargis) completed a groundwater assessment west of the Montrose Superfund Site located in Los Angeles, California. The groundwater assessment included sampling wells between 2006 and 2008 for chlorobenzene and para-chlorobenzene sulfonic acid (pCBSA) in groundwater that may be associated with a former sewer line that extended west of the Montrose Superfund Site. If a potential occurrence with the sewer line was encountered, then this would be accounted for in the remedial design for the groundwater remedy. In order to complete this assessment, monitoring wells located in Torrance, California were purged and sampled. Of the wells sampled as part of the assessment, five wells are owned by Honeywell International, Inc., six wells are owned by ExxonMobil Refinery and one well is owned by International Light Metals.

Based on the results of this assessment, Montrose concluded that no additional investigation activities were needed and no refinements to the remedial design were necessary. EPA responded to Montrose's Technical Memorandum for the investigation on May 27, 2009, requesting additional groundwater assessment in the area to complete the remedial design for the groundwater remedy. EPA identified potential additional chlorobenzene and p-CBSA source areas for Montrose to further delineate. EPA made recommendations for three wells to be installed downgradient of the former sewer line, which includes:

- A well near Western Avenue, about 200 to 300 feet south of the former sewer line,
- A well about 300 to 400 feet south of well GGWMW-3, and
- A well between these two wells

Montrose agreed to proceed with conducting a supplemental groundwater investigation in the west of Western Avenue area. The supplemental investigation will reduce any uncertainties in the chlorobenzene distribution in groundwater that may be associated with a former sewer line that extended west of the Montrose Superfund Site.



Summary of Well Installation Details

This project is expected to last six (6) days to install three (3) wells. This includes well development, groundwater sampling and demobilization of well installation equipment.

Prior to the start of drilling activities, AECOM will obtain well construction permits from the Los Angeles County Department of Health Services and construction/excavation permits from the City of Torrance. Once all the permits are in place, the proposed well locations will be cleared for underground utility clearance, including calling Underground Service Alert and meeting utility member firms, and finally cleared by hand augering the upper five feet. Well installation and development activities will be completed in accordance to *California Well Standards Bulletin 74-90*.

An 10-inch borehole will be drilled to a total depth of 120 feet below grade surface (bgs). The well will be constructed using 4-inch diameter Schedule 80 PVC blank casing and 20-feet of 0.02-inch slotted Schedule 80 PVC screen. Annular materials will include #2/12 silica sand and a 5-foot bentonite seal. A cement-bentonite slurry will extend above the annular seal to approximately 2-feet bgs. A traffic rated well cover will be cemented in from 2-feet bgs to surface. The wells will be developed using surge and bail techniques. Once the water quality parameters stabilize, the wells will be sampled.

If you need additional information, please do not hesitate in contacting me at (562) 213-4152 or by e-mail at alycia.mccord@aecom.com.

Sincerely,

AECOM

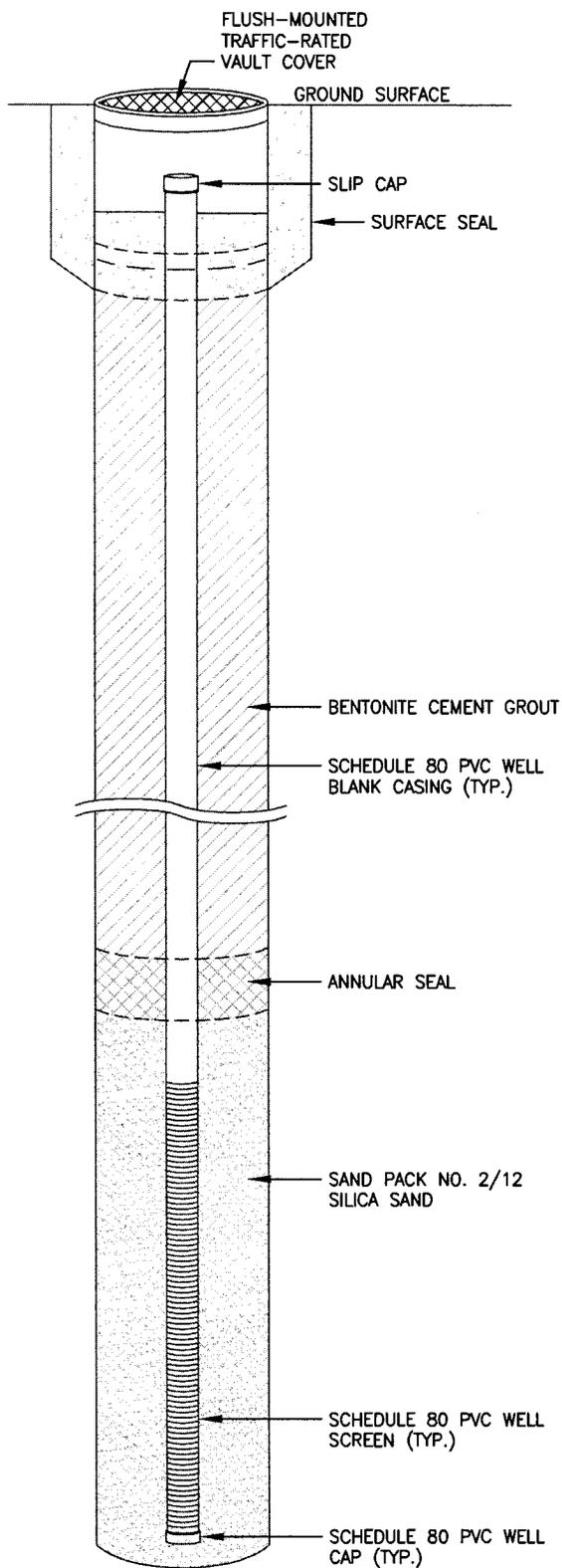
A handwritten signature in black ink that reads 'Alycia A. McCord'.

Alycia A. McCord
Project Manager

Attachments:

EPA letter "Review of Technical Memorandum – Results of the Evaluation of the West of Western Avenue Groundwater Assessment"

Typical Groundwater Monitoring Well Construction Diagram



NOT TO SCALE

SURFACE SEAL INTERVAL	2 FEET
TYPE OF SURFACE SEAL	CONCRETE
ANNULAR SEAL INTERVAL	2-93 FEET
TYPE OF ANNULAR SEAL	BENTONITE CEMENT
SANITARY SEAL INTERVAL	93-98 FEET
TYPE OF ANNULAR SEAL	BENTONITE SEAL
DIAMETER OF WELL CASING	4 INCH
TYPE OF WELL CASING	SCHEDULE 80 PVC
SAND PACK INTERVAL	98-120 FEET
TYPE OF SAND PACK	NO. 2/12 SILICA SAND
SCREEN INTERVAL	100-120 FEET
DESCRIPTION OF SCREEN	SCH 80 PVC 0.020-IN SLOT
DEPTH OF WELL	120 FEET
DIAMETER OF BOREHOLE	~8-10 INCHES
DEPTH OF BOREHOLE	~120 FEET

FILE NAME: Z:\ET\MONTROSE\TORRANCE\WC_DIAGRAMS\2009\WELL_DIA.1209\WELL_60134337_WCD-TYPICAL.1209.DWG

MONTROSE CHEMICAL CORPORATION OF CALIFORNIA		
TYPICAL GROUNDWATER MONITORING WELL CONSTRUCTION DIAGRAM		
TORRANCE, CALIFORNIA		
Date: 12-09	AECOM	Figure
Project No. 60134337		--



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

May 27, 2009

Mr. Joseph Kelly
 Montrose Chemical Corporation
 600 Ericksen Avenue, NE
 Suite 380
 Bainbridge Island, WA 98110

Mr. Paul Sundberg
 10733 Wave Crest Court
 Stockton, CA 95209

Subject: Review of Technical Memorandum – Results of the Evaluation of the West of Western Avenue Groundwater Assessment Montrose Chemical Corporation Superfund Site, Torrance California, Hargis + Associates, dated April 24, 2009

Dear Mr. Kelly and Mr. Sundberg:

EPA has reviewed the above-referenced technical memorandum regarding groundwater characterization in the area west of Western Avenue. Please see the enclosed comments. Based upon our review of the data, we do not believe the characterization is sufficient to complete the design of the groundwater remedy. We are requesting the installation of additional wells to improve characterization of this area.

Please feel free to call me at (415) 972-3150 if you have any questions about this letter.

Sincerely,

A handwritten signature in black ink, appearing to read "Carolyn d'Almeida".

Carolyn d'Almeida
 Remedial Project Manager

Enclosure

cc: Mike Palmer, deMaximus
 Brian Dean, Earth Tech
 Danielle Ondic, Hargis +Associates
 Mark Schultheis, Geosyntec
 Karl Lytz, Latham & Watkins
 Kelly Richardson Latham & Watkins
 Safouh Sayed, DTSC-Cypress
 Natasha Raykhman, CH2MHill

Review of Technical Memorandum titled Results of West of Western Avenue Groundwater Assessment, Montrose Site, Torrance, California

PREPARED FOR: Carolyn d'Almeida/EPA Region 9
PREPARED BY: Natasha Raykhman/CH2M HILL HILL
Mike Basial/CH2M HILL
COPIES: File
DATE: May 21, 2009
PROJECT NUMBER: 385687.RP.01

At the request of the United States Environmental Protection Agency, Region 9 (EPA), CH2M HILL has reviewed the Technical Memorandum (TM) titled *Results of West of Western Avenue Groundwater Assessment, Montrose Site, Torrance, California*, dated April 24, 2009, prepared by Hargis + Associates, Inc. (H+A) for Montrose Chemical Corporation.

The subject TM summarizes the results of data compilation and groundwater sampling of the existing wells in the area west of Western Avenue, Torrance, California. The purpose of these activities was to characterize the occurrence and extent of chlorobenzene and para-chlorobenzene sulfonic acid (p-CBSA) in groundwater associated with a former sewer line, which extended over 6,000 feet west of the Montrose Site. Our general and specific comments and recommendations pertaining to the subject TM are presented below.

General Comments

1. We disagree with the conclusion of the subject TM that the results of data compilation and sampling presented in the TM indicate the occurrence, magnitude, and extent of chlorobenzene and p-CBSA in groundwater is sufficiently characterized in the area west of Western Avenue. This is because sampling of existing monitoring wells in both the Middle Bellflower B Sand (MBFB) and Middle Bellflower C Sand (MBFC) indicate that elevated concentrations of these constituents are present at distances exceeding 6,000 feet west of the Montrose Site (i.e., 160 micrograms per liter [$\mu\text{g/L}$] in well PGW-4, and 390 $\mu\text{g/L}$ in well GGWMW-3). However, the limited number of existing wells, which were sampled as part of this investigation, is not sufficient to characterize the lateral and vertical extent of dissolved contaminants and contaminant sources along the former sewer line. In addition, existing MBFC wells GGWMW-2 and GGWMW-3 are screened upgradient (north) of the former sewer line, and therefore are not representative of the water quality downgradient of the potential source areas (i.e., south of the former sewer line).

2. We also disagree with the conclusion of the subject TM that the results of sampling and data compilation show that the distribution of dissolved contaminants in groundwater in this area does not impact the design of the Montrose groundwater remedy. Because the data presented in the subject TM are not sufficient to characterize the distribution of chlorobenzene in this area, it is impossible to determine the impact of this distribution on the remedial design without collecting additional information.
3. It is stated in the subject TM that the objectives of this investigation have been met and no further investigation activities and/or refinements to the remedial design are necessary because the data indicate that the chlorobenzene concentrations above the maximum contaminant level (MCL) are within the capture zone of the existing Exxon Mobil extraction wells, and will continue to be contained by these wells during operation of the Montrose groundwater remediation system. We disagree with this conclusion because the Exxon Mobil extraction wells cannot be considered part of the groundwater remedy at the Dual Site, because groundwater extraction from these wells could change and/or cease at any time due to reasons unrelated to the Montrose remedy (e.g., changes in remedial methodology, ownership of the environmental liability, etc.). We are not aware of any agreement that Montrose has with Exxon Mobil regarding pumping these wells to meet the Record of Decision (ROD) objectives for the Dual Site. In addition, because of the uncertainty in the chlorobenzene distribution in this area, it is not possible to determine if the ROD objectives pertaining to plume reduction and containment would be met by the Exxon Mobil extraction wells even if they continue to operate through the full duration of the Montrose remedy. If Exxon Mobil extraction activities cease, the Montrose remedial system may require significant adjustments to address the chlorobenzene plume in this area. Based on the above, the chlorobenzene distribution in this area should be sufficiently characterized and accounted for by the remedial design.

Specific Comments

1. **Evaluation of Chlorobenzene, page 6, first paragraph.** The TM states that based on the lack of detection in MBFC well GGWMW-2, chlorobenzene has not migrated into the underlying MBFC in the area of the former Sav-Mor property. We disagree with this conclusion because well GGWMW-2 is located upgradient (north) of the former sewer line, which is the potential source of chlorobenzene. A downgradient MBFC well is required at this location to assess whether or not chlorobenzene has migrated into the MBFC in this area.
2. **Evaluation of Chlorobenzene, page 6, second paragraph.** The TM lists two areas where chlorobenzene was detected, including the former Sav-Mor property and near the intersection of the ETET and the District No. 5 Main Trunk Line. However, the TM does not indicate that the potential sources of chlorobenzene in groundwater could exist in other areas along the former sewer line, where data are not available. This includes an approximately 2,400-foot stretch along the former sewer line, between the two areas mentioned above.
3. **Evaluation of Chlorobenzene, page 6, second paragraph.** The TM indicates that concentrations of chlorobenzene in MBFC well GGWMW-3 of 390 $\mu\text{g/L}$ are representative of the area near the intersection of the ETET and the District No. 5 Main Trunk Line. However, this well is located upgradient (north) of the former sewer line, which is the

potential source of chlorobenzene. Therefore, the concentration of chlorobenzene in this well may be lower than those at and downgradient of the source. A downgradient MBFC well (i.e., south of the former sewer line) is required at this location to assess chlorobenzene concentrations in the MBFC in this area.

4. **Evaluation of Chlorobenzene, page 6, second paragraph.** The TM states that nondetect analytical results from Exxon Mobil Gage aquifer well IX-01R indicate that chlorobenzene has not migrated into the Gage aquifer. We disagree with this conclusion because data from one well screened in the Gage aquifer is not sufficient to assess chlorobenzene migration into the Gage aquifer from the potential sources along the former sewer line. The need and locations for additional Gage wells should be evaluated based on data from additional MBFC wells that are required to delineate the distribution of chlorobenzene in the area west of Western Avenue (see Recommendations below).
5. **Evaluation of Chlorobenzene Capture, page 7, second paragraph.** The TM states that a review of water level contours from the remedial design modeling indicates that adequate capture of chlorobenzene concentrations in the area west of Western Avenue will be maintained during the future operation of the Montrose groundwater remediation system. This statement likely refers to the fact that the remedial design model simulated constant extraction from the Exxon Mobil wells through the duration of the remedy, which was reasonable for the purposes of remedial design modeling because the Exxon Mobil wells were located near the model boundary and did not have a significant impact on the simulated performance of the remedial wellfield. However, pumping of these wells cannot be considered part of the groundwater remedy because these wells were not designed to meet the ROD objectives for the Dual Site, and extraction from these wells could potentially change and/or cease at any time (see General Comment 3).

Recommendations

Based on the comments discussed above, we recommend that at least three MBFC wells be installed downgradient of the former sewer line, including:

- a well near Western Avenue, about 200 to 300 feet south of the former sewer line,
- a well about 300 to 400 feet south of well GGWMW-3, and
- a well between these two wells.

These wells will allow us to assess the concentrations of chlorobenzene in the MBFC downgradient of the source. The results of these investigations should be used to assess the need for additional wells for evaluating (1) potential source areas along the former sewer line in the MBFB, (2) lateral extent of the plume in the MBFC, and (3) potential vertical migration of chlorobenzene into the Gage aquifer.