



COPY

William G. Ross Jr., Secretary
North Carolina Department of Environment and Natural Resources

Coleen H. Sullins, Director
Division of Water Quality

AQUIFER PROTECTION SECTION
February 5, 2008

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Alchem, Inc.
2042 Buie Philadelphus Road
Red Springs, North Carolina 28377
Attention: Julia M. Andrews, Registered Agent

RE: Notice of Violation – NOV-2008-LV-0064
15A NCAC 2L Classifications and
Water Quality Standards Applicable
to the Groundwaters

Non-Discharge Permit No. WQ0002702
Alchem – Red Road Plant
Rowan County, N.C.

Dear Ms. Andrews:

Chapter 143, North Carolina General Statutes, authorizes and directs the Environmental Management Commission of the Department of Environment and Natural Resources to protect and preserve the water and air resources of the State. The Division of Water Quality has the delegated authority to enforce adopted pollution control rules.

Based upon a review of your groundwater compliance monitoring data received on November 30, 2007, and the results of samples collected from neighboring water supply wells by Aquifer Protection Section staff on December 6, 2007, the division has reason to believe that the permitted activities at the subject facility have resulted in the groundwater standards being exceeded. Condition 7 of your permit states:

The issuance of this permit shall not relieve the Permittee of the responsibility for damages to surface or groundwaters resulting from the operation of this facility.

The groundwater standards can be found at 15A NCAC 2L .0202. The pH concentrations in on-site monitoring wells MW-1, MW-2 and the water supply identified as the Office Well are below standard and have decreased over time, indicating increasing acidity of the groundwater. Sulfate concentrations in the Office Well have increased over time to values in excess of the 2L standard. The McIntyre water supply well is located approximately 70 feet downgradient from Lagoon #1. Sampling in December 2007 revealed a low pH and an elevated sulfate concentration compared to background conditions, which are represented by the upgradient Pennington Well. Please refer to the tables below:

Constituent = pH

2L Standard = 6.5-8.5 Standard Units (S.I.)

Well Name	Sampling Dates			
	7/93	7/02	10/07	12/07
Office Well	7.1		5.2	
MW-1		5.7	4.6	
MW-2		5.3	4.3	
McIntyre Well				5.20
Pennington Well				6.87

Constituent = sulfate (SO₄)

2L Standard = 250 parts per million (ppm)

Well Name	Sampling Dates		
	7/93	10/07	12/07
Office Well	32	1040	
McIntyre Well			1400
Pennington Well			15

Rule 15A NCAC 2L .0106(d), which applies to permitted facilities, states:

Any person conducting or controlling an activity which is conducted under the authority of a permit issued by the Division and which results in an increase in the concentration of a substance in excess of the standards (2) at or beyond a compliance boundary, shall assess the cause, significance and extent of the violation of standards and submit the results of the investigation and a plan proposed schedule for corrective action to the Director, or his designee. The permittee shall implement the plan as approved by and in accordance with a schedule established by the Director, or his designee. In establishing a schedule the Director, or his designee shall consider any reasonable schedule proposed by the permittee.

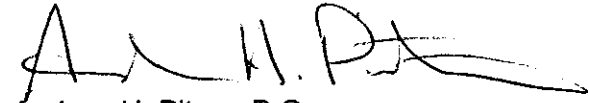
As such, to achieve compliance with the above-cited rules, you must submit a Comprehensive Site Assessment (CSA) that satisfies the assessment, significance and extent requirements. All site assessment activities must be conducted under the direct supervision of a North Carolina Licensed Geologist or Professional Engineer. Your CSA report should be completed in accordance with the attached guidelines and should be received in the Mooresville Regional Office by May 6, 2008. An approved CSA will form the basis for a corrective action plan (CAP) for the restoration of groundwater quality as required by 15A NCAC 2L .0106(h). Failure to submit the required reports or failure to expeditiously eliminate the contaminant source and restore the groundwater quality may result in the recommendation of an enforcement action.

Furthermore, 15A NCAC 2L .0106(b) requires you to "mitigate any hazards resulting from exposure to the pollutants." To comply with this section of the rules, you must provide an alternate drinking water supply for the residents who use the McIntyre Well within seven (7) days of receipt of this letter. Additional impacted supply wells may be identified in the future as sample results become available.

We request that you respond in writing to this notice within fifteen (15) days after its receipt. In your response, please confirm your intent to comply with the above requirements by specifying the actions that you plan to undertake to address the violations and by submitting a proposed schedule for accomplishing these actions.

You should be aware that any violation of 15A NCAC 2L may subject you to a civil penalty assessment under the authority of G.S. 143-215.6A. Please direct your response and any questions to Peggy Finley at 704/235-2183.

Sincerely,

A handwritten signature in black ink, appearing to read "A. H. Pitner", with a long horizontal flourish extending to the right.

Andrew H. Pitner, P.G.
Regional Environmental Supervisor

Enclosures: Comprehensive Site Assessment Report
Required Analyses for Contaminated Groundwater
Required Analyses for Contaminated Soil

Cc: Kim Colson, Supervisor – APS Land Application Unit
Leonard Wood, Director- Rowan Co. Health Department
Robert Wolcott – Alchem, Inc., 8135 Red Rd., Rockwell 28138

MAF/alchem/enforcements/ 2L NOV 2-5-08