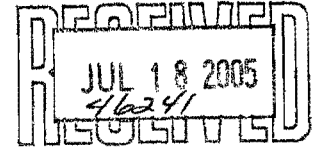


*Sama*



CHEMICAL COMPANY



July 13, 2005

Mr. Dennis Benson  
Technical Assistance Manager  
NPDES Permits Section - Water Division  
Arkansas Department of Environmental Quality  
8001 National Drive  
Little Rock, Arkansas 72219-8913

RE: Quarterly Report – Second Quarter 2005, CAO LIS 98-119

Dear Mr. Benson:

This letter serves as the referenced Quarterly Report. During this quarter there continued to be significant actions regarding the NPDES permit for El Dorado Chemical Company (EDCC). These actions centered on projects and studies related to compliance with our current NPDES permit as well as the continued development of the project to construct a pipeline to the Ouachita River. The following paragraphs present details regarding these activities.

1. Hydrologic Study

Pursuant to the requirements of the final NPDES permit, EDCC submitted a hydrologic study plan for the storm water outfalls. This plan was approved by ADEQ and then subsequently revised to modify the location of the background monitor for Outfalls 006 and 007. During the 2nd quarter of 2005 the level loggers continued to collect data pursuant to the approved workplan. The study will be completed within the timeframes set by the NPDES permit.

2. Retention Basin Temperature Study

Pursuant to the requirements of the final NPDES permit, EDCC submitted a temperature study plan for the purpose of determining the influence of ambient conditions on the temperature regime of the retention basin at EDCC. During the 4th quarter of 2004 ADEQ approved the study plan. As discussed in the last quarterly progress report, the study was initiated in the 2nd quarter of 2005 and will be completed within the timeframes set by the NPDES permit.

NPDES COMPLIANCE FILES  
NPDES # 752  
\_\_\_\_ DMR'S *SA*  
\_\_\_\_ NCR  
\_\_\_\_  CORRESPONDENCE  
\_\_\_\_ CRAS

### 3. Storm Water Outfall Compliance

During the 2nd quarter the following activities were accomplished to effectuate compliance with storm water discharges from Outfalls 004, 005, 006 and 007.

- GBM<sup>c</sup> initiated work on final engineering design to capture storm water runoff from Outfalls 004, 006, and 007 and divert the runoff to Lake Lee. The final design plans include channels from Outfalls 006 and 007 that direct storm water discharge to an impoundment to be constructed northeast of Outfall 006. The impoundment is designed to contain and pump the runoff from a 2-inch rainfall event to the basement of the gas engine building and then gravity flow to Lake Lee. Runoff that exceeds the capacity of the capture and transfer system (>2 inches) will discharge through an overflow structure to the current receiving stream for Outfalls 006 and 007. Existing topography and a pump station will be used at Outfall 004 to contain and transfer runoff from a 2-inch rainfall event into Lake Lee. The existing outfall configuration will require modification to create an impoundment as well as an overflow structure to discharge runoff from rainfall events greater than 2 inches.

### 4. Source Reduction Analysis

During the 2nd quarter of 2005, there were several source reduction activities accomplished, including:

- The engineering design work has been completed on several containment projects for the Nitrate Plant area.
- Process improvements in the Nitrate Plant area were implemented to reduce waste loading to the wastewater system.
- Repairs were made to piping and collection sumps in the Nitrate Plant area to reduce waste loading to the wastewater system.

### 5. Wastewater System

During the 2nd quarter of 2005, there were numerous activities conducted in relation to the upgrade of the wastewater treatment system. These activities focused on both Lake Lee and Lake Kildeer as listed in the following sections.

#### *Lake Lee*

- Completed the sludge removal project as contracted with Terra Renewal Services (TRS).

- The addition of multiple storm water sources (i.e., 004, 006, and 007 drainage areas) could create the potential to exceed the capacity of the existing gravity line from Lake Lee to Lake Kildeer. A force main will be constructed to convey excess storm water to Lake Kildeer. Pumps, piping and controls were ordered/purchased and installation of the pipeline was begun.

*Lake Kildeer*

- Contacted vendors to obtain quotes for biological treatment systems to meet future NPDES permit limitations.
- Initiated construction of a return pipeline from Lake Kildeer to Lake Lee to allow for recirculation and additional treatment if needed by the future biological system.

## 6. Wastewater Treatment Bioaugmentation

As discussed in previous quarterly reports, during the 2nd quarter of 2005, El Dorado Chemical Company continued implementation of the alternative wastewater treatment technology. We continue the collection of performance data to determine the efficacy of the organisms in our wastewater treatment system.

The data that EDCC has collected so far indicates that the addition of various microbes has had a positive impact on the wastewater treatment system. The biomonitoring results from Outfall 001 have steadily improved with the 2nd quarter 2005 tests passing at 100% effluent water. The concentrations of contaminants such as ammonia-nitrogen and nitrate have declined steadily as well.

## 7. Ground Water Study

All existing monitoring wells were sampled in May 2005. The annual groundwater report for 2004 was prepared and submitted to the ADEQ at the end of June 2005. In addition, a meeting was held between EDCC and two contractors (GBMc and EMS) to prepare and schedule additional groundwater work. A statistical evaluation of groundwater quality data was completed and is under review. An engineering study of potential in-situ groundwater treatment is underway as well as evaluation of existing site geologic data. Laura Stewart (ADEQ Water Division) has been kept informed of the status of EDCC's efforts.

Mr. Dennis Benson  
July 13, 2005  
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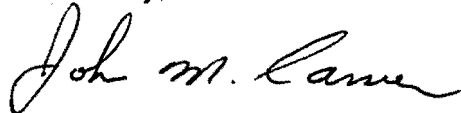
#### 8. Joint Pipeline Activities

During the 2nd quarter of 2005, there were additional actions regarding the joint pipeline construction and permitting. These actions included meeting with the ADEQ upper management and Water Division staff to discuss the nutrient issue letter from the Arkansas Game and Fish Commission and the preparation and submittal of a study plan to address the concerns expressed in the meeting. In addition to the nutrient issue, during the 2nd quarter information was developed and transmitted to the ADEQ NPDES staff in response to joint permitting issues.

Also, in concert with the other entities, the surveying of the proposed joint pipeline route was completed along with development of the bid package for the final design of the joint pipeline.

Hopefully, this letter has adequately explained the status of our NPDES compliance efforts during the 2nd quarter of 2005. Should you have any questions, please feel free to call me at (405) 235-4546.

Sincerely,



John M. Carver  
Vice President Safety and  
Environmental Compliance

JMC/ymq

cc: Belinda Colby, Enforcement Coordinator, Hazardous Waste Division  
Keith Brown, Manager, State Permits, Water Division  
Martin Maner, Chief, Water Division