

OFFICE OF THE NEVADA ENVIRONMENTAL RESPONSE TRUST TRUSTEE

Le Petomane XXVII, Inc., Not Individually, But Solely as the Nevada Environmental Response Trust Trustee

35 East Wacker Drive - Suite 1550

Chicago, Illinois 60601

Tel: (312)498-2800

August 26, 2016

Mr. Weiquan Dong, Ph.D.
Bureau of Industrial Site Cleanup
Nevada Division of Environmental Protection
2030 E. Flamingo Rd, Suite 230
Las Vegas NV 89119

RE: AP-5 Pond Phase II Project Implementation, Basis of Design Update
Nevada Environmental Response Trust
Henderson, Nevada

Dear Mr. Dong:

The Nevada Environmental Response Trust (NERT) is pleased to present the AP-5 Pond Phase II Project Implementation, Basis of Design Update for Nevada Division of Environmental Protection (NDEP) review. This document provides a summary of the changes to the original design previously approved by NDEP on March 24, 2015. This document is being submitted for informational purposes as implementation of the modified design is currently well underway. Based on the current progress NERT expects to have the material in the AP-5 Pond transferred to the new above ground storage tanks prior to December 31, 2016.

As you are aware, NERT is currently evaluating the use of alternate treatment technologies to treat the water generated from the washing process. If implemented, this would be a modification of the procedures described in Sections 4.2 and 4.3 of the above referenced document. The Trust will be providing its recommendation on this matter in the coming weeks. NERT has confirmed with NDEP, Bureau of Water Pollution Control that the new above ground storage tanks will be part of the Permitted Treatment Works and regulated under the National Pollutant Discharge Elimination System (NPDES) permit. NERT has provided information regarding the new above ground storage tanks in its NPDES renewal permit application and will be incorporated in the new NPDES permit expected to be issued before November 2016.

Appendix C of the enclosed document provides an updated budget to implement the AP-5 project which is in excess of the approved 2016 NERT budget. Due to project modifications necessitated by a Tetra Tech process hazard analysis (PHA), this was anticipated by NERT. A budget amendment request will be provided under separate cover inclusive of additional costs related to the dismantling and disposal of legacy infrastructure currently present in the immediate pond area that was used for prior flushing activities. Please note that a budget for the treatment of the water (whether by Envirogen Technologies, Inc. or a separate treatment system) will be integral to the 2017 Trust budget as no treatment costs will be incurred in 2016.

Office of the Nevada Environmental Response Trust Trustee
August 26, 2016

If you have any questions or concerns regarding this matter, feel to contact me at (702) 960-4309 or at steve.clough@nert-trust.com.

Office of the Nevada Environmental Response Trust



Stephen R. Clough, P.G., CEM
Remediation Director
CEM Certification Number: 2399, exp. 3/24/17

Cc (via NERT Sharefile Distribution):

Greg Lovato, Nevada Division of Environmental Protection
James Dotchin, NDEP Bureau of Industrial Site Cleanup
Carlton Parker, NDEP Bureau of Industrial Site Cleanup
Christa Smaling, NDEP Bureau of Industrial Site Cleanup
Micheline Fairbank, Nevada Attorney General's Office
Alison Fong, U.S. Environmental Protection Agency, Region 9
Katherine Baylor, U.S. Environmental Protection Agency, Region 9
Jay Steinberg, as President of the Nevada Environmental Response Trust Trustee and not individually
Andrew Steinberg, as Vice President of the Nevada Environmental Response Trust Trustee and not individually
Tanya C. O'Neill, Foley and Lardner, LLP

Cc (via NERT Stakeholder Sharefile Distribution):

Betty Kuo, Metropolitan Water District of Southern California
Brenda Pohlmann, City of Henderson
Carol Nagai, Metropolitan Water District of Southern California
David Johnson, Central Arizona Water Conservation District
Dave Johnson, LV Valley Water District
Eric Fordham, Geopentech
Jill Teraoka, Metropolitan Water District of Southern California
Kevin Fisher, LV Valley Water District
Marcia Scully, Metropolitan Water District of Southern California
Maria Lopez, Metropolitan Water District of Southern California
Mickey Chaudhuri, Metropolitan Water District of Southern California
Orestes Morfin, Central Arizona Water Conservation District
Peggy Roefer, Colorado River Commission
Scott Bryan, Central Arizona Project
Steven Anderson, LV Valley Water District
Sun Liang, Metropolitan Water District of Southern California
Ted Wolff, Manatt, Phelps & Phillips LLP
Todd Tietjen, Southern Nevada Water Authority
Kirk Stowers, Broadbent Inc.
Kurt Fehling, The Fehling Group
Derek Amidon, Tetra Tech
Dan Pastor, Tetra Tech
Allan DeLorme, Ramboll Environ
John Pekala, Ramboll Environ