

**Frequently Asked Questions, questions submitted prior to meeting and Answers
March 2, 2016**

1. Why didn't anyone know about the water quality issue?

Although it is difficult to reconstruct events, it appears that proper approvals were not obtained for the arsenic pond or other waste discharges at the facility.

2. Why hasn't the Crystal Geysers Roxane (CGR) Olancha facility been shut down?

Regional Water Quality Control Board (Lahontan Water Board) staff is taking the lead to investigate the extent of arsenic spread on the site pursuant to applicable law. County staff believes that it is most prudent to proceed in this manner since the Lahontan Water Board is a highly qualified entity with superior skills and means to undertake the investigation. If the facility were to be closed, progress on the investigation might be impeded, and many people would be out of work.

Additionally, the Lahontan Water Board does not typically "shut down" a facility unless it has evidence of an imminent threat or actual serious impact to public health or the environment. Such evidence would be used to support pursuing a court injunction, which is the enforcement tool the Lahontan Water Board has to compel a discharger to cease discharging. Currently, Lahontan Water Board staff does not have such evidence.

3. What active role can the County play in any contaminated discharges at the CGR Olancha Facility?

The County's Environmental Health Department regulates facilities that exceed certain thresholds for handling, storing, and transporting of hazardous materials, and for all facilities that generate hazardous waste. Hazardous waste generated at such facilities is usually hauled off by approved contractors to approved disposal sites. In situations where there are waste streams that are disposed of on site, the facility must apply for waste discharge requirements from the RWQCB.

The County is working with the Lahontan Water Board and Department of Toxic Substance Control to ensure that proper State permits are obtained for any hazardous waste discharges. Depending on the results of the investigation, the County could impose additional conditions on the facility. The County will work to ensure that Water Board staff is aware of any relevant changes or modifications to the facilities that it inspects and/or regulates.

The County is overseeing a groundwater monitoring, mitigation, and reporting plan (GMMRP) for CGR's plant at the Cabin Bar property. The purpose of the GMMRP is to monitor the effects of the plant expansion, not the effects of the existing arsenic pond; however, the GMMRP does require groundwater quality monitoring on the Cabin Bar property and in Cartago. Information from the GMMRP may assist the Lahontan Water Board in its investigation, and the County has provided the Lahontan Water Board with

the GMMRP. In the future, if the Lahontan Water Board's investigations indicate that it is necessary, the monitoring schedule of GMMRP may be extended at the County's discretion.

4. What process can be taken to protect the community from hazardous waste production at the CGR Olancha facility?

The Lahontan Water Board is investigating spread from the arsenic pond and will be adopting permits to regulate waste discharges from the Olancha and Cabin Bar Ranch facilities. Remediation of this arsenic may be required. Hazardous waste generated at the site is being transported off site to an approved facility.

The County regulates hazardous material handling through the CUPA program. In particular, the Environmental Health Department inspects storage facilities (i.e., ensures hazmat drums are in good condition and properly labeled, inspects containment facilities to assure they are in good order and large enough to contain any spills, and verifies paperwork is in order, including business plans, emergency response plans, site maps, inventories, financial responsibility assurances and business information).

5. What active role can the County play in future monitoring of compliance with the CGR Olancha facility?

The County will be conducting inspections, periodically reviewing and updating permits, and providing an open exchange of information regarding compliance verification activities.

6. What process can evaluate the current Conditional Use Permits (CUP) for the CGR Olancha facility for compliance?

Upon completion of the Lahontan Water Board's investigation, the County could re-evaluate one or more of the CUPs, including potentially identifying additional conditions of approval. Such a process could involve additional environmental review and public hearings.

7. How can the groundwater monitoring, management, and reporting plan (GMMRP) for the CGR Cabin Bar facility be re-evaluated in light of this issue?

The Lahontan Water Board has started to evaluate the GMMRP in light of ongoing operations and the arsenic contamination at the CG Olancha facility, in combination with future operations at the Cabin Bar Ranch facility. Lahontan Water Board permits have monitoring programs to evaluate compliance and to detect any impacts associated with regulated waste discharges upon water quality and beneficial uses, including water supplies. The Lahontan Water Board will be developing its future monitoring programs with the GMMRP in mind to ensure adequate compliance and impacts monitoring is occurring, while avoiding duplicative monitoring.

8. How will this not happen again?

Hazardous waste generated at the site is being transported off site to an approved facility. The County's Public Works, Planning, and Environmental Health departments coordinate review of permit applications and mitigation monitoring, thereby working to ensure that proper permits are obtained.

9. The 2013 OVC/Sierra Club Settlement with CGR regarding the Cabin Bar Ranch project contained commitments that the developer should have completed.

The County does not monitor compliance with the Settlement Agreement. The Spring Fault Line Baseline Report is available on the County's website.

10. What is the status of the GMMRP for the Cabin Bar Ranch project?

The County Board of Supervisors approved the GMMRP on July 8, 2014, which is available for public review on the County's website. Currently CGR's contractor is working with property owners on access logistics for monitoring and is thus far meeting the commitments outlined in the GMMRP. The GMMRP timeframe is relative to the plant's production which has not yet begun; therefore, there will be further compliance requirements in the future.

11. What is the status of cultural resource monitoring for the CGR Cabin Bar project?

At this time, only grubbing and vegetation removal has occurred at the Cabin Bar site. This was conducted with both a tribal and biological monitor. CGR has provided the County with documentation of the monitors' presence during these activities.

12. There are a lot of details in the documents associated with the Cabin Bar project. Is someone at Inyo County keeping track of all of it?

County staff is currently working with CGR to collect the necessary documentation as provided for in the Conditions of Approval for the Cabin Bar project. CGR has provided the appropriate documentation for the current stage of the project and the rest will be required prior to the issuance of a building permit.

13. Does the county agree with Lahontan's findings that the disposal ponds at the Olancha Facility are leaking and need to be fixed? If not why? What involvement has the county had with the issue?

The County is relying on the Lahontan investigation to make a determination. The County has been provided with copies of correspondence between CGR and Lahontan, and is monitoring the situation and providing relevant information as appropriate. The County has coordinated this community meeting to help residents gain a better understanding of the issues.

14. Has there been outreach or communication with Olancha/Cartago residents prior to the meeting?

County representatives have been working with interested individuals regarding these issues. The County provided notice to all property owners in the area, distributed fliers, and advertised the community meeting, and will be helping to provide information and answer questions at the meeting.

15. Some claim that the County has not assisted or listened to what they have to say in regards to possible groundwater contamination.

County staff has met with interested individuals on numerous occasions, and provided interested individuals with relevant documents and other information upon request. Due to the interest in the subject, the County has coordinated the public meeting to provide information to the community.

16. Does the county believe the Company's argument is valid?

The County is waiting for the full results of the Lahontan investigation before establishing an opinion.

17. What is the county's responsibility for CGR; monitoring, mitigation, water testing? In relation to the violations?

The violations are subject to Lahontan's jurisdiction. Currently, the County is waiting for the full results of the Lahontan investigation regarding the violations before it can establish what, if any, responsibility it may have.

18. I believe Roxanne is self-monitored for Lahontan purposes, but would there come a time when the County would have to intervene- such as cleaning up a contamination, pulling Roxanne's permits?

Waste discharge requirements include monitoring of the waste streams at designated frequencies for designated parameters. While the permittee is responsible for having their samples collected and monitored at the designated frequencies, all results are sent to the Lahontan Water Board for review. Permittees are also routinely inspected by the Lahontan Water Board staff on regular schedules.

The violations are subject to Lahontan's jurisdiction and any potential clean-up will be directed by Lahontan and other appropriate agencies. The County is working with Lahontan to ensure that proper permits are obtained for any hazardous waste discharges. Depending on the results of the investigation, the County could impose additional conditions on the facility and reevaluate its CUPs.

19. Is CGR not in compliance with the CUPs being it does not have all of its permits?

Although it is difficult to reconstruct events, it appears that not all of proper approvals were obtained. The violations and permits in question are, however, subject to Lahontan's jurisdiction. Currently, the County is waiting for the full results of the Lahontan investigation regarding the violations and permitting before it can establish what, if any, compliance issues there may be with the County permits.

20. What does the County hope to achieve at the March meeting?

The meeting scheduled for March 2, 2016 is intended to provide information to the community about the issues and events surrounding the CGR facility. The County hopes that this meeting will help people in the community to have a better understanding about what is going on at the CGR facility and what, if any, impacts it may have on them.

21. Does Roxanne's property tax revenue for the County influence the County's decisions on any issue regarding the water bottler?

No. Application and regulation for any development and/or use in the County is subject to state and local laws and the County follows these laws. Any decisions with respect to the bottling facility in the future will be evaluated after the Lahontan investigation is complete and will be made under the umbrella of all pertinent state and local laws.

22. Would the possible contamination issue be treated differently if the plant was closer to, or in, a bigger town such as Bishop or Lone Pine?

No.