

EXHIBIT

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STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF WASHTENAW

JENNIFER GRANHOLM, Attorney
General for the State of Michigan, ex rel,
MICHIGAN NATURAL RESOURCES
COMMISSION, MICHIGAN WATER
RESOURCES COMMISSION, and
MICHIGAN DEPARTMENT OF NATURAL
RESOURCES,

Plaintiff,

Case No. 88-34734-CE

vs

Honorable Donald E. Shelton

GELMAN SCIENCES, INC.,

Defendant.

**OPINION AND ORDER REGARDING REMEDIATION OF THE CONTAMINATION OF
THE "UNIT E" AQUIFER**

At a Session of the Court held in the
Washtenaw County Courthouse in
the City of Ann Arbor, on December 17, 2004

PRESENT: HONORABLE DONALD E. SHELTON, Circuit Judge

Background

Gelman Sciences makes filters for medical purposes and employs several hundred people at a facility located on Wagner Road in Scio Township, adjacent to the City of Ann Arbor. For several years in its production of these filters Gelman used a man-made compound known as 1,4 dioxane, a solvent used in a number of products and industries. It is classified by the Environmental Protection Agency as a "possible" human carcinogen. Gelman had been storing waste water containing dioxane in unlined lagoons near its plant and had apparently also sprayed the wastewater on the ground around the plant. In the mid 1980's, it was discovered

that this waste water had seeped through the ground and contaminated the ground water supply in the area. Gelman ceased using dioxane in 1986.

This case was originally filed in 1988 by the State to require Gelman to clean up pollution of local water supplies caused by the discharge of dioxane. The original judge conducted a trial in 1991 and found that the contamination was the result of waste disposal practices by Gelman but that those practices had been done in accordance with State approved procedures. Eventually, a Consent Judgment identifying the required remediation actions was agreed to by the parties and entered on October 26, 1992. In the 16 years this case has been pending, many things have changed, including the identity of the participants. The successor to the plaintiff agency is now called the Michigan Department of Environmental Quality ("MDEQ"). The defendant corporation was acquired by another company in 1997 and is now known as Pall Life Sciences, Inc. ("Pall"). The original judge retired, the case was reassigned, and then was subsequently reassigned to this Court.

The original Consent Judgment was amended by the parties and the Court on September 23, 1996 and again on October 20, 1999. In early 2000, the MDEQ filed a motion to enforce the Consent Judgment and for monetary sanctions. This Court conducted a lengthy evidentiary hearing. On July 17, 2000 the Court entered its Remediation Enforcement Order which ordered the development and implementation of a detailed plan to reduce the dioxane in all affected water supplies below legally acceptable levels within a period of five years. The Court ordered plan also provided for subsequent monitoring of water supplies for an additional ten year period. The parties were advised that the Court intended to

vigorously enforce the Consent Judgment and its remedial orders with all of its statutory and equitable powers.

The parties have complied with the basic provisions of Court's Remediation Enforcement Order. By pumping and treating over a billion gallons of contaminated water at a treatment facility constructed on its Wagner Road site, over 37,000 pounds of 1,4 dioxane has been removed from the aquifer covered by this Court's five year order. Pall has complied with the terms of that Order.

However, in 2001 it was discovered that the contaminant had somehow seeped below the shallower aquifer and had contaminated a much deeper aquifer denominated by the parties as "Unit E". Test wells revealed that the plume of dioxane in that aquifer had spread Eastward under the City of Ann Arbor. The parties have been testing throughout the area to determine the spread of the plume and have been trying to develop a plan to treat the contamination of that aquifer. While there is apparent agreement on several aspects of the proposed remedial action, MDEQ and Pall disagree about important parts of the plan. The Court ordered the parties to submit their view of the proposals and to respond to questions posed at the last hearing so that the Court could resolve the outstanding issues and expedite the decontamination process for Unit E.

Procedural Posture

Initially, the parties have raised questions about the applicability of the Consent Judgment to Unit E, the responsibility of the Court to review MDEQ actions, and the scope of the Court's role in this process.

The Court finds that the Unit E contamination is subject to the Consent Judgment in this case. While this particular area of contamination had not been discovered at the time of the Consent Judgment, that judgment was intended to address the entire issue of the remediation of 1,4 dioxane emanating from the Gelman property on Wagner Road. Technically, the Court agrees with the MDEQ assertion that Unit E falls within the "Western System" as that phrase was used in the Consent Judgment. Its subsequent migration in an easterly direction does not negate that finding. The Court has the inherent and equitable powers to enforce its judgment with all appropriate measures and sanctions as to Unit E contamination.

The MDEQ, however, also questions the scope of the Court's powers and responsibilities regarding enforcement of the Consent Judgment and the Court's statutory powers and responsibilities pursuant to Part 201 of the NREPA, MCL 324.20101 *et seq.* As MDEQ asserts, the Court's determination of appropriate remedial action under both the Consent Judgment and the statute should normally be based on the administrative record, including all materials submitted by the defendant. *Consent Judgment*, Sec. XVI.C; MCL 324.20137(5). The Consent Judgment also provides for the taking of additional evidence "by the Court on its own motion or at the request of either party if the Court finds that the record is incomplete or inadequate". *Consent Judgment*, Sec. XVI.C.

The Court's review of MDEQ actions is not solely limited to a determination of whether those actions are "arbitrary and capricious". The standard for review under the statute is whether the "decision was arbitrary and capricious or

‘otherwise not in accordance with law’”. MCL 324.20137(5). The standard for review of MDEQ remedial action proposals under the Consent Judgment in this case is broader as well. It provides that MDEQ actions are reviewed by this Court to determine if the decision is either (1) inconsistent with the Consent Judgment, or (2) not supported by competent, material, and substantial evidence on the whole record, or (3) arbitrary, capricious, or clearly an abuse or unwarranted exercise of discretion, or (4) affected by any other substantial and material error of law.

Consent Judgment, Section XVI.D.

Additionally, the Court has and intends to exercise its inherent powers to enforce its own directives. Circuit courts have the jurisdiction and the power to make any order to fully effectuate the circuit courts’ jurisdiction and judgments. See *St. Clair Commercial & Savings Bank v. Macauley*, 66 Mich App 210 (1975); *Schaeffer v. Schaeffer*, 106 Mich App 452 (1981); *Cohen v. Cohen*, 125 Mich App 206 (1983); MCL 600.611. This case ended up in Court initially because no clean up of significant pollution had even begun without Court intervention. The MDEQ, and subsequently the defendant, sought to invoke the equitable and statutory powers of the Court to bring about remediation of a dangerous contamination of the public’s water supply. Eventually a judgment was entered and remediation orders have been made by the Court to effectuate that judgment and the goal of cleaning up this pollution. Despite the best efforts of the parties, it is not done. The extent of the contamination is deeper and greater than originally known, perhaps aggravated many years ago both by the initial resistance of Gelman and the initial

ineffectiveness of the State agency. It is going to take continued concerted actions by all of the parties to remedy this expanding contamination. The Court is determined to exercise all of its inherent, statutory, and equitable powers to assure that those actions take place as soon as possible.

The Unit E Disputes

The Unit E aquifer is extremely deep, apparently over 200 feet underground. It appears to flow in an easterly direction eventually depositing water into the Huron River, which runs through Washtenaw County and the City of Ann Arbor. Test wells have indicated the presence of 1,4 dioxane under the City with the leading edge of the plume more than two miles from the Wagner Road facility. The plume is continuing to spread. At this point, the aquifer is not a source of drinking water. The City of Ann Arbor services all of its citizens with a municipal water system which draws its water primarily from the Huron River but at a point well upstream of the point at which the Unit E aquifer vents into the river. One City well did draw water from the aquifer but it has been taken out of service. There are no private wells drawing from the affected portion of the aquifer.

The MDEQ and Pall have diligently been pursuing a plan to control the contamination plume in the Unit E aquifer. Test wells have been put in place. Working in conjunction with the MDEQ, Pall has designed new technologies to arrest the contamination. The parties have cooperated in the exchange of technical data and other information. There is significant public interest and several public hearings have been held. Input has been received from public interest organizations

as well as from the City of Ann Arbor. MDEQ made a decision on September 1, 2004 outlining its plan for Unit E remediation. The parties agree on much of that plan but disagree on two important elements: (1) the actions to be taken at the Wagner Road facility to prevent further contamination of the aquifer, and (2) the approach to be used to remove contaminants from the plume in the aquifer that is already migrating East of the Wagner Road facility. The disputes as to those issues are properly before the Court.

Actions to be Taken at the Wagner Road Facility

The MDEQ calls for Pall to do test borings and then install extraction wells into the Unit E aquifer at the Wagner Road site and to purge the water from those wells at the treatment facility Pall has built and operates on that property. The purged water would then be discharged into Honey Creek in the same manner as Pall has successfully treated and discharged water from shallower sources. Pall agrees with the test borings, including one with the "rotosonic" technique required by MDEQ.

Pall disputes the MDEQ requirement that extraction wells and treatment then be undertaken with a goal to "capture the entire width of the Unit E plume at Wagner Road" and to "create a hydraulic barrier near Wagner Road to prevent further migration of groundwater contamination above 85 ppb east of Wagner Road". Pall proposes that any extraction wells would be designed to reduce the mass of contaminants but claims that the objective of capturing the entire width of

the plume at that point is not feasible, not supported by the evidence, and would be inconsistent with its obligations under the Consent Judgment.

It appears to the Court that much of this dispute is semantic, or at least premature. The goal set by the MDEQ of total capture of the width of the plume is certainly appropriate - if it can be done. Whether it is feasible or not depends on a number of factors that will not be known until the test borings are complete. That portion of the MDEQ rationale relating to protecting non-existent private wells and protecting the non-operational City Northwest Supply well is not supported by the evidence on the record. However, the primary MDEQ rationale is that controlling groundwater contamination at or near its source is more efficient than trying to capture it later as it spreads through the aquifer. There is ample support for that position. Pall does not seriously contest that proposition but disagrees with MDEQ's projection of the degree to which such interception will prove successful. Pall may well be right but the reality is that we will simply not know how much reduction is possible until the test wells are complete and extraction wells placed into operation.

One portion of the Pall objection to the Wagner Road plan deserves more serious consideration. Pall maintains that if it extracts and treats all of the Unit E water that MDEQ wants at Wagner Road, it will not be able to discharge that water into Honey Creek because, when combined with the other required treatment already underway, the total will exceed the NPDES discharge permit levels allowed by MDEQ. To the extent that this proves to be true, the MDEQ will either have to

expeditiously increase the discharge permit level or forego its goal of complete Unit E capture at Wagner Road. To the extent that there is a "competition" for permitted discharge, priority must be given to the water currently being treated from shallower levels.

Subject to the limitations expressed above, Pall shall:

1. Perform the investigation described in the August 1, 2004 Work Plan for Test Boring/Well installation and Aquifer Testing in the Wagner Road Area, as modified by MDEQ's letter of August 19, 2004, including the use of rotosonic drilling for at least one boring.
2. Submit a report of the investigation to MDEQ within 30 days of the completion of the aquifer performance test.
3. Within 60 days after completion of the aquifer performance test, submit a work plan to MDEQ which will, to the maximum extent feasible, prevent further migration of groundwater contamination above 85 ppb of 1,4 dioxane eastward into the Unit E aquifer. The plan will identify any required increase in the NPDES discharge permit to accommodate such additional treatment.
4. If the parties do not agree on a Unit E Wagner Road work plan within 30 days after submission, it will be brought before the Court on motion by MDEQ for resolution.

Actions to be Taken in the Eastern Portion of Unit E

The other major issue is how to remove contaminants from the plume that has already spread eastward into the Unit E aquifer. It will never be

possible to extract all of the 1,4 dioxane from this deep aquifer and the geology is such that it will ultimately end up in the Huron River and be diluted far below currently acceptable standards. But the goal must be to remove as much of the contaminant as possible, as quickly as possible, so that the ultimate dilution will take place with minimal impact on the water resource.

Pall has proposed remediation by means of a reinjection system in which water is extracted from the aquifer, treated on the Maple Road site, and immediately reinjected into the aquifer at that location. This system is one which has been developed over the last many months and has been the subject of much investigation by the parties as well as review hearings by the Court. The MDEQ has, with the conditions and qualifications discussed below, agreed with the Pall reinjection plan. The Court believes that treatment and reinjection of Unit E water should commence forthwith in accordance with that plan. Pall shall submit its detailed work plan to MDEQ not later than thirty days from this Order. The work plan will be designed to purge enough water so that any water escaping from the purging zone in Unit E will not exceed 2,800 ppb recommended by the MDEQ.

The MDEQ qualified its approval of the Pall plan on six conditions, some of which form the basis of the disputes now before the Court. The first MDEQ condition is that the City of Ann Arbor formally abandon the Northwest Water Supply ("Mont gomery") well. The City closed the well in February of 2001. The cause for the closing is being disputed between the City and Pall in a

separate lawsuit. The City there claims that it closed the well because dioxane from the Gelman site had contaminated it. Pall claims that the level of 1,4 dioxane alleged to be in the well was 2 ppb, well below the 85 ppb standard. Pall also claims that the well is closed because the City found 18 ppb of arsenic, unrelated to any Gelman contamination, in the well. The outcome of those allegations, and any compensation claims, will be decided in that separate action. As far as this case is concerned, the closed well has no bearing on the remediation plan for Unit E. There is no basis to include it as a condition to the clean up plan.

The third condition imposed by MDEQ relates to the administrative requirements of the statute. Since the proposed remedial plan contemplates levels above 85 ppb, provisions of the rules require an administrative "wai ver". Pursuant to MCL 324.20118(6)(d), such a waiver would require "other institutional controls necessary to prevent unacceptable risk from exposure to the hazardous substances". MCL 324.20120b(5) states the mechanisms for such institutional controls "include , but are not limited to, an ordinance that prohibits the use of groundwater or an aquifer in a manner and to a degree that protects against unacceptable exposures as defined by the cleanup criteria approved as part of the remedial plan". Applied to this case, this means that there must be enforceable restrictions on the human use of water from the Unit E aquifer during remediation. Pall asserts that the Washtenaw County Rules and Regulations for the Protection of Groundwater adopted on February 4, 2004, if

supplemented by an appropriate order from this Court, meet that statutory requirement. The Court agrees. Under the circumstances of this case it would be arbitrary and unreasonable to delay the cleanup of the Unit E aquifer pending the drafting and potential adoption of an ordinance or other legislative action to supplement the Washtenaw County Rules and Regulations already in place. The parties are directed to submit a proposed order to this Court which will include at least the following controls:

1. A map that identifies the area that would be covered by the judicial institutional control, including a buffer zone.
2. A prohibition against the installation of new water supply wells for drinking, irrigation, or commercial or industrial use, within the zones shown on the map.
3. A prohibition directed to the County Health Officer prohibiting permits for well construction in those zones.
4. A prohibition against consumption or use of groundwater from within the zones.
5. A requirement that PLS provide, at its expense, connection to the City of Ann Arbor municipal water supply for any existing private drinking water wells within the zones.
6. A requirement that the Order be published and maintained in the same manner as a zoning ordinance.
7. A provision that the Order shall remain in effect until such time as it is amended or rescinded by further Order of the Court, with a minimum 30 days notice to all parties.
8. A provision to allow either party to move to amend the boundaries of the prohibition zone to reflect material changes in the boundaries or fate of the plume as determined by future hydrogeological investigations and/or monitoring.

Next, the MDEQ conditions its approval of the remediation plan on the retention by Pall of a person to do "stochastic modeling" of Unit E. Based on the record, there is no substantial evidence to indicate that such a model would assist the remediation of this area in any way. The field data required by the MDEQ has served to develop the model for remediation and will continue to do so. It is this field data that allows the MDEQ, and then the Court, to review whether the remediation is working. There is no indication that "stochastic modeling" will add anything to those remediation efforts and it is not required. MDEQ has properly required that Pall conduct future monitoring of the plume path and plume concentration. Pall has agreed and has submitted a work plan to meet that requirement.

Finally, and most importantly, the MDEQ has conditioned its approval of the remediation plan on the development of an alternative plan that would require construction of a large treatment facility at Maple Road and the piping of water from significant distances through Unit E back to Maple Road for treatment and then discharge into the Huron River via another pipeline. The alternative insisted upon by MDEQ would require the installation and operation of a treatment system large enough to accommodate 1150 gallons per minute in the commercial area near Maple Road. Pall contends that such a facility is not feasible and would not be safe. The feasibility of the MDEQ proposal is subject to serious question. The acquisition and rezoning of enough land to site both the treatment facility and the required ponds in this congested area would take considerable time, if it ever could

be done. Such a facility would require location and storage of an amount of liquid oxygen equal to that currently used at the Wagner Road treatment facility and five times the amount used at the current Maple Road mobile facility. Locating such a facility in this retail commercial area does pose significant dangers.

Most importantly, the alternative in this MDEQ condition means that thousands, perhaps millions, of gallons of contaminated water would need to be piped under the City to be treated at the proposed Maple Road facility. This would require the installation of three to four miles of pipelines, including at least 1 ½ miles of pipelines in residential Ann Arbor neighborhoods. To say that the residents in the affected areas would be reluctant to agree to have pipelines containing 1,4 dioxane running through their neighborhoods is an understatement by several degrees of magnitude. Public hearings have demonstrated overwhelming opposition to such a plan. While the City of Ann Arbor has filed a pleading agreeing with the construction a Maple Road facility, notably missing from its brief is any commitment to facilitate the location of the required dioxane-bearing pipelines in Ann Arbor neighborhoods. In 1998 it took months, and this Court eventually had to intervene with an Order, to force the installation of 1000 feet of a pipeline near the Wagner Road facility--and that pipeline was only running under a freeway.

Whether the concerns of residents about such pipelines are scientifically justified or not, the political and practical reality is that the required pipeline rights-of-way and construction could not begin to take place for years, if ever. This contamination was discovered twenty years ago and this lawsuit to get it cleaned

up has been pending for sixteen of those years. The water in the Unit E aquifer continues to flow and the plume of 1,4 dioxane continues to expand within it. We simply do not have the years it would take for the MDEQ alternative to begin to remove any contamination from the leading edge of the Unit E. plume. After careful examination of the MDEQ alternative set forth in its conditions, the Court finds that it is not feasible, is unwarranted, and is not supported by competent, material, and substantial evidence.

Conclusion

The parties have worked diligently to address the question of how the contamination of the Unit E aquifer should be addressed and have investigated several alternatives. The process has been exhaustive but not expeditious. In the meantime the plume of 1,4 dioxane continues to spread. It is not the role of this Court to devise or fashion remedies for the spreading pollution of this deep aquifer. It is the role of this Court to enforce the Consent Judgment and to assure that whatever remedy is implemented conforms to that Judgment and to the pollution statutes of the State. The overriding guideline for that enforcement is the health and welfare of the public. The health and welfare of the public demands that the cleanup of the contamination of this large body of underground water begin, and proceed, as soon as humanly possible. The parties are ordered to implement the holdings in this Opinion and Order forthwith.

IT IS SO ORDERED

Donald E. Shelton
Circuit Judge

EXHIBIT

2

STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF WASHTENAW

JENNIFER M. GRANHOLM, Attorney
General for the State of Michigan, *ex rel*,
MICHIGAN DEPARTMENT OF
ENVIRONMENTAL QUALITY,

Plaintiffs,

File No. 88-34734-CE

v

Honorable Donald E. Shelton

GELMAN SCIENCES, INC.,
a Michigan corporation,

Defendant.

ORDER PROHIBITING GROUNDWATER USE

At a session of said Court held in the City of Ann Arbor, County of Washtenaw, Michigan, on the _____ day of _____, 2005.

PRESENT: HONORABLE DONALD E. SHELTON
Circuit Court Judge

On December 17, 2004, this Court issued its Opinion and Order Regarding Remediation of the Contamination of the "Unit E" Aquifer. That Opinion and Order resolved a dispute between the Parties regarding the September 1, 2004 Decision Document issued by the Michigan Department of Environmental Quality (MDEQ) regarding remediation of the "Unit E" groundwater contamination emanating from the Pall Life Sciences (PLS) (formerly known as Gelman Sciences, Inc.) facility in Scio Township, Washtenaw County.

Among other things, this Court determined that in order to satisfy the requirements of MCL 324.20118(6)(d) and MCL 324.20120b(5) for institutional controls preventing

unacceptable exposure to 1,4-dioxane in the groundwater, it is necessary and appropriate to supplement the Washtenaw County Rules and Regulations for the Protection of Groundwater adopted February 4, 2004, with a legally enforceable order of this Court prohibiting certain groundwater uses in specifically defined areas and addressing the relevant conditions identified in the MDEQ's September 1, 2004 Decision Document.

ACCORDINGLY, pursuant to the December 17, 2004 Opinion and Order, based upon further information provided by the Parties, and in the exercise of this Court's statutory and inherent authority to enforce its orders and judgments,

IT IS HEREBY ORDERED:

1. The prohibitions imposed by this Order apply to the zone identified in the map attached hereto as Figure 1 (Prohibition Zone).
2. The installation by any person of a new water supply well in the Prohibition Zone for drinking, irrigation, commercial, or industrial use is prohibited.
3. The Washtenaw County Health Officer or any other entity authorized to issue well construction permits shall not issue a well construction permit for any well in the Prohibition Zone.
4. The consumption or use by any person of groundwater from the Prohibition Zone is prohibited.
5. The prohibitions listed in paragraphs 2, 3, and 4 do not apply to the installation and use of:
 - (a) groundwater extraction and monitoring wells as part of response activities approved by MDEQ or otherwise authorized under Parts 201 or 213 of NREPA, or other legal authority.

(b) dewatering wells for lawful construction or maintenance activities, provided that appropriate measures are taken to prevent unacceptable human or environmental exposures to hazardous substances and comply with MCL 324.20107a.

(c) wells supplying heat pump systems that either operate in a closed loop system, or if not, are demonstrated to operate in a manner sufficient to prevent unacceptable human or environmental exposures to hazardous substances and comply with MCL 324.20107a.

(d) emergency measures necessary to protect public health, safety, welfare or the environment.

6. PLS shall provide, at its expense, connection to the City of Ann Arbor municipal water supply to replace any existing private drinking water wells within the Prohibition Zone. Within thirty (30) days after entry of this Order, PLS shall submit to MDEQ for review and approval a work plan for identifying, or verifying the absence of, any private wells within the Prohibition Zone, for the abandonment of any such private wells and for replacement of private drinking water wells with connection to the municipal water supply. Well abandonment and replacement shall be performed in accordance with all applicable regulations and procedures at the expense of PLS. PLS shall implement the work plan and schedule approved by MDEQ.

7. Because the City of Ann Arbor's Northwest Supply Well is located within the Prohibition Zone, and because PLS will not clean up the 1,4-dioxane in Unit E upgradient from that well to the generic residential cleanup criteria (85 ppb) under Part 201: (a) the Northwest Supply Well must be abandoned; and (b) an alternative, replacement water supply must be provided to Ann Arbor under Part 201 of Michigan's Natural Resources and Environmental Protection Act at PLS's expense. Accordingly, PLS shall pay all necessary costs incurred by

Ann Arbor to abandon the Northwest Supply Well and secure, transport, and treat a replacement water source, including, but not limited to, the following:

(a) To locate alternative new source areas from which the City of Ann Arbor may obtain potable water;

(b) To secure all necessary rights to utilize water from the selected new source area and all easements necessary to install water transmission pipelines and associated infrastructure;

(c) To install new production wells, structures, buildings, and associated infrastructures as may be necessary or desirable to utilize the new source area;

(d) To install necessary transmission infrastructure, including, but not limited to, pipelines and pumps, to transport the water to the Ann Arbor Water Treatment Plant;

(e) To install all necessary infrastructure and systems to integrate the new raw water into the Ann Arbor Water Treatment Plant's treatment train and to treat the water to remove any contaminants it may contain; and

(f) To conduct wellhead protection studies, programs, and delineations, and to protect the new source from contamination.

8. This Order shall be published and maintained in the same manner as a zoning ordinance.

9. This Order shall remain in effect in this form until such time as it is amended or rescinded by further order of this Court, with a minimum of thirty (30) days prior notice to all Parties.

10. Either Party may move to amend the boundaries of the Prohibition Zone to reflect material changes in the boundaries or fate of the groundwater contamination plume as described

by future hydrogeological investigation or M DEQ approved monitoring of the fate of the groundwater contamination.

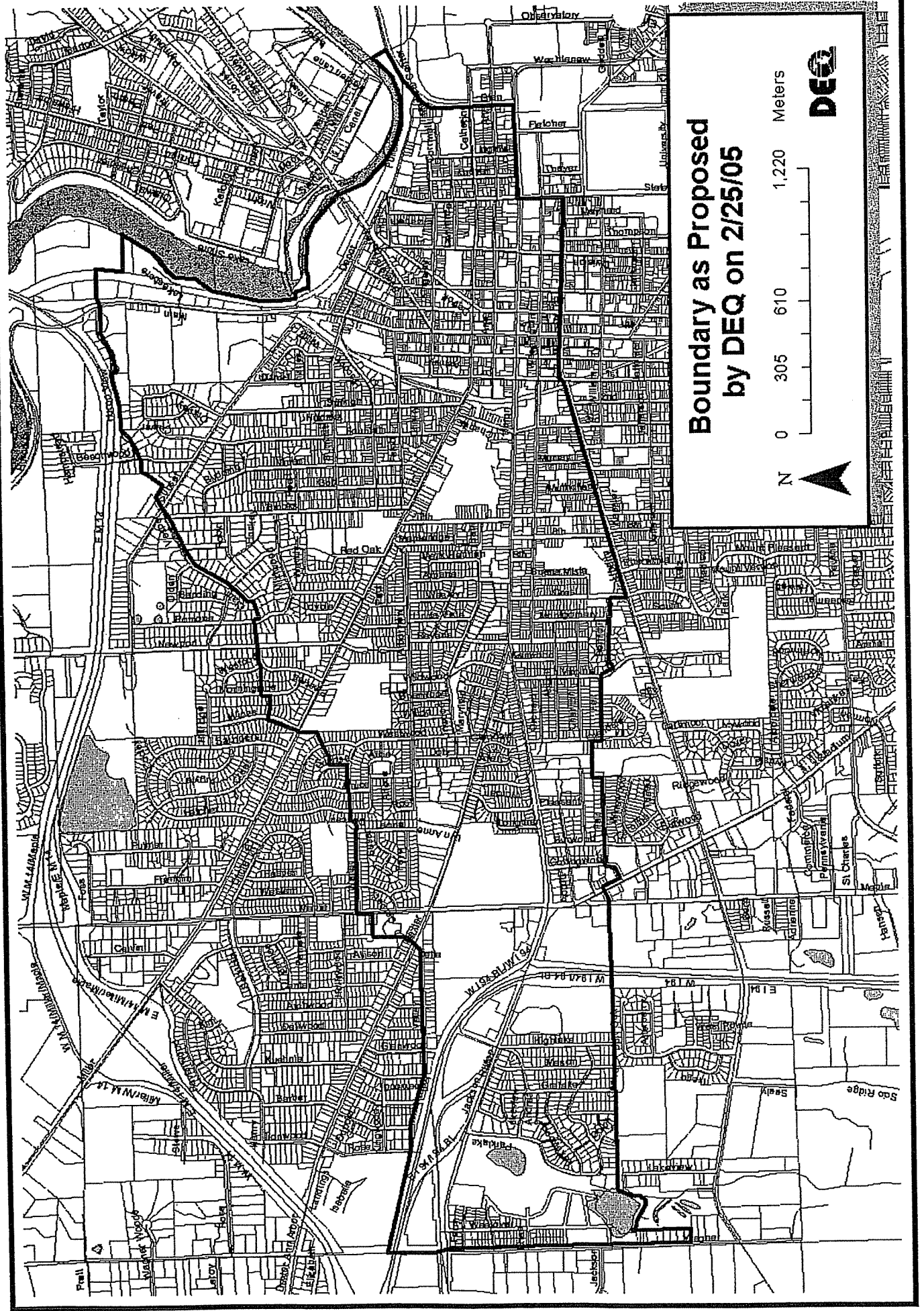
11. In the event the boundary of the Prohibition Zone is expanded, PLS shall, within thirty (30) days after entry of such an Order, submit to the MDEQ for review and approval, a work plan for identifying, or verifying the absence of any private wells within the modified Prohibition Zone, for the abandonment of any such private wells, and for the connection to the municipal water supply to replace any drinking water wells within the modified Prohibition Zone.

12. Either Party or a local unit of government having jurisdiction within the Prohibition Zone may seek enforcement of this Order by the Court..

HONORABLE DONALD E. SHELTON
Circuit Court Judge

Gelman/1989001467/Order1

Gelman Sciences Inc. Proposed Prohibition Zone Boundary



EXHIBIT

3

STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF WASHTENAW

JENNIFER M. GRANHOLM, Attorney
General for the State of Michigan, ex rel,
MICHIGAN DEPARTMENT OF
ENVIRONMENTAL QUALITY,

Plaintiffs,

File No. 88-34734-CE

v

Honorable Donald E. Shelton

GELMAN SCIENCES, INC.,
a Michigan corporation,

Defendant.

ORDER PROHIBITING GROUNDWATER USE

At a session of said Court held in the City of Ann Arbor, County of
Washtenaw, Michigan, on the _____ day of _____,
2005.

PRESENT: HONORABLE DONALD E. SHELTON
Circuit Court Judge

On December 17, 2004, this Court issued its Opinion and Order Regarding Remediation of the Contamination of the "Unit E" Aquifer. That Opinion and Order resolved a dispute between the Parties regarding the September 1, 2004 Decision Document issued by the Michigan Department of Environmental Quality (MDEQ) regarding remediation of the "Unit E" groundwater contamination emanating from the Pall Life Sciences (PLS) (formerly known as Gelman Sciences, Inc.) facility in Scio Township, Washtenaw County.

Among other things, this Court determined that in order to satisfy the requirements of MCL 324.20118(6)(d) and MCL 324.20120b(5) for institutional controls preventing

unacceptable exposure to 1,4-dioxane in the groundwater, it is necessary and appropriate to supplement the Washtenaw County Rules and Regulations for the Protection of Groundwater adopted February 4, 2004, with a legally enforceable order of this Court prohibiting certain groundwater uses in specifically defined areas and addressing the relevant conditions identified in the MDEQ's September 1, 2004 Decision Document.

ACCORDINGLY, pursuant to the December 17, 2004 Opinion and Order, based upon further information provided by the Parties, and in the exercise of this Court's statutory and inherent authority to enforce its orders and judgments,

IT IS HEREBY ORDERED:

1. The prohibitions imposed by this Order apply to the zone identified in the map attached hereto as Figure 1 (~~Prohibition Zone~~Protected Area).

2. The installation by any person of a new water supply well in the ~~Prohibition Zone~~Protected Area for drinking, irrigation, commercial, or industrial use is prohibited.

3. The Washtenaw County Health Officer or any other entity authorized to issue well construction permits shall not issue a well construction permit for any well in the ~~Prohibition Zone~~Protected Area.

4. The consumption or use by any person of groundwater from the ~~Prohibition Zone~~Protected Area is prohibited.

5. The prohibitions listed in paragraphs 2, 3, and 4 do not apply to the installation and use of:

a. groundwater extraction and monitoring wells as part of response activities approved by MDEQ or otherwise authorized under Parts 201 or 213 of NREPA, or other legal authority;

b. dewatering wells for lawful construction or maintenance activities, provided that appropriate measures are taken to prevent unacceptable human or environmental exposures to hazardous substances and comply with MCL 324.20107a;

c. wells supplying heat pump systems that either operate in a closed loop system or if not, are demonstrated to operate in a manner sufficient to prevent unacceptable human or environmental exposures to hazardous substances and comply with MCL 324.20107a;

d. emergency measures necessary to protect public health, safety, welfare or the environment; and

e. existing uncontaminated residential drinking water wells that withdraw water from aquifers other than the Unit E aquifer;

6. PLS shall provide, at its expense, connection to the City of Ann Arbor municipal water supply to replace any existing Unit E private drinking water wells within the ~~Prohibition Zone~~Protected Area. Within thirty (30) days after entry of this Order, PLS shall submit to MDEQ for review an approval a work plan for ~~identifying or verifying the absence of, any private wells within the Prohibition Zone, for the abandonment of any such private wells and for~~ replacement of private drinking water wells with connection to the municipal water supply. ~~Well~~ abandonment and replacement shall be performed in accordance with all applicable regulations and procedures at the expense of PLS. PLS shall implement the work plan and schedule approved by MDEQ.

~~7. Because the City of Ann Arbor's Northwest Supply Well is located within the Prohibition Zone, and because PLS will not clean up the 1,4-dioxane in Unit E upgradient from that well to the generic residential cleanup criteria (85 ppb) under Part 201: (a) the Northwest Supply Well must be abandoned; and (b) an alternative, replacement water supply must be~~

~~provided to Ann Arbor under Part 201 of Michigan's Natural Resources and Environmental Protection Act at PLS's expense. Accordingly, PLS shall pay all necessary costs incurred by Ann Arbor to abandon the Northwest Supply Well and secure, transport, and treat a replacement water source, including, but not limited to, the following:~~

~~_____ (a) To locate alternative new source areas from which the City of Ann Arbor may obtain potable water;~~

~~_____ (b) To secure all necessary rights to utilize water from the selected new source area and all easements necessary to install water transmission pipelines and associated infrastructure;~~

~~_____ (c) To install new production wells, structures, buildings, and associated infrastructures as may be necessary or desirable to utilize the new source area;~~

~~_____ (d) To install necessary transmission infrastructure, including, but not limited to, pipelines and pumps, to transport the water to the Ann Arbor Water Treatment Plant;~~

~~_____ (e) To install all necessary infrastructure and systems to integrate the new raw water into the Ann Arbor Water Treatment Plant's treatment train and to treat the water to remove any contaminants that it may contains; and~~

~~_____ (f) To conduct wellhead protection studies, programs, and delineations, and to protect the new source from contamination.~~

87. This Order shall be published and maintained in the same manner as a zoning ordinance.

98. This Order shall remain in effect in this form until such time as it is amended or rescinded by further order of this Court, with a minimum of thirty (30) days prior notice to all Parties.

~~109.~~ Either Party may move to amend the boundaries of the ~~Prohibition Zone~~Protected Area to reflect material changes in the boundaries or fate of the groundwater contamination plume as described by future hydrogeological investigation or MDEQ approved monitoring of the fate of the groundwater contamination.

~~110.~~ In the event the boundary of the ~~Prohibition Zone~~Protected Area is expanded, PLS shall, within thirty (30) days after entry of such an Order, submit to the MDEQ for review and approval, a work plan for identifying, or verifying the absence of any private wells within the modified ~~Prohibition Zone~~Protected Area, for the abandonment of any such private wells, and for the connection to the municipal water supply to replace any drinking water wells within the modified ~~Prohibition Zone~~Protected Area.

~~12.~~ Either Party or a local unit of government having jurisdiction within the ~~Prohibition Zone~~ may seek enforcement of this Order by the Court.

HONORABLE DONALD E. SHELTON
Circuit Court Judge

STATE OF MICHIGAN
IN THE CIRCUIT COURT FOR THE COUNTY OF WASHTENAW

JENNIFER M. GRANHOLM, Attorney
General for the State of Michigan, ex rel,
MICHIGAN DEPARTMENT OF
ENVIRONMENTAL QUALITY,

Plaintiffs,

File No. 88-34734-CE

v

Honorable Donald E. Shelton

GELMAN SCIENCES, INC.,
a Michigan corporation,

Defendant.

ORDER PROHIBITING GROUNDWATER USE

At a session of said Court held in the City of Ann Arbor, County of
Washtenaw, Michigan, on the _____ day of _____,
2005.

PRESENT: HONORABLE DONALD E. SHELTON
Circuit Court Judge

On December 17, 2004, this Court issued its Opinion and Order Regarding Remediation of the Contamination of the "Unit E" Aquifer. That Opinion and Order resolved a dispute between the Parties regarding the September 1, 2004 Decision Document issued by the Michigan Department of Environmental Quality (MDEQ) regarding remediation of the "Unit E" groundwater contamination emanating from the Pall Life Sciences (PLS) (formerly known as Gelman Sciences, Inc.) facility in Scio Township, Washtenaw County.

Among other things, this Court determined that in order to satisfy the requirements of MCL 324.20118(6)(d) and MCL 324.20120b(5) for institutional controls preventing

unacceptable exposure to 1,4-dioxane in the groundwater, it is necessary and appropriate to supplement the Washtenaw County Rules and Regulations for the Protection of Groundwater adopted February 4, 2004, with a legally enforceable order of this Court prohibiting certain groundwater uses in specifically defined areas and addressing the relevant conditions identified in the MDEQ's September 1, 2004 Decision Document.

ACCORDINGLY, pursuant to the December 17, 2004 Opinion and Order, based upon further information provided by the Parties, and in the exercise of this Court's statutory and inherent authority to enforce its orders and judgments,

IT IS HEREBY ORDERED:

1. The prohibitions imposed by this Order apply to the zone identified in the map attached hereto as Figure 1 (Protected Area).
2. The installation by any person of a new water supply well in the Protected Area for drinking, irrigation, commercial, or industrial use is prohibited.
3. The Washtenaw County Health Officer or any other entity authorized to issue well construction permits shall not issue a well construction permit for any well in the Protected Area.
4. The consumption or use by any person of groundwater from the Protected Area is prohibited.
5. The prohibitions listed in paragraphs 2, 3, and 4 do not apply to the installation and use of:
 - a. groundwater extraction and monitoring wells as part of response activities approved by MDEQ or otherwise authorized under Parts 201 or 213 of NREPA, or other legal authority;

b. dewatering wells for lawful construction or maintenance activities, provided that appropriate measures are taken to prevent unacceptable human or environmental exposures to hazardous substances and comply with MCL 324.20107a;

c. wells supplying heat pump systems that either operate in a closed loop system or if not, are demonstrated to operate in a manner sufficient to prevent unacceptable human or environmental exposures to hazardous substances and comply with MCL 324.20107a;

d. emergency measures necessary to protect public health, safety, welfare or the environment; and

e. existing uncontaminated residential drinking water wells that withdraw water from aquifers other than the Unit E aquifer

6. PLS shall provide, at its expense, connection to the City of Ann Arbor municipal water supply to replace any existing Unit E private drinking water wells within the Protected Area. Within thirty (30) days after entry of this Order, PLS shall submit to MDEQ for review and approval a work plan for the abandonment of any such private wells and for replacement of private drinking water wells with connection to the municipal water supply. Well abandonment and replacement shall be performed in accordance with all applicable regulations and procedures at the expense of PLS. PLS shall implement the work plan and schedule approved by MDEQ.

7. This Order shall be published and maintained in the same manner as a zoning ordinance.

8. This Order shall remain in effect in this form until such time as it is amended or rescinded by further order of this Court, with a minimum of thirty (30) days prior notice to all Parties.

9. Either Party may move to amend the boundaries of the Protected Area to reflect material changes in the boundaries or fate of the groundwater contamination plume as described by future hydrogeological investigation or MDEQ approved monitoring of the fate of the groundwater contamination.

10. In the event the boundary of the Protected Area is expanded, PLS shall, within thirty (30) days after entry of such an Order, submit to the MDEQ for review and approval, a work plan for identifying, or verifying the absence of any private wells within the modified Protected Area, for the abandonment of any such private wells, and for the connection to the municipal water supply to replace any drinking water wells within the modified Protected Area.

HONORABLE DONALD E. SHELTON
Circuit Court Judge

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PLOT INFO: F:\WORK\96502\DOO\PROJECTED PATHWAY UNIT E PARCELS JAN05.DWG

DATE: 1/31/2005 TIME: 3:21:27 PM USER: ACS

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NOTE: Predicted migration pathway is based on groundwater modeling by the U.S. Geological Survey and flow interpretations made by the U.S. Geological Survey and presented in the City of Ann Arbor Montgomery Wellfield Water Protection Area Delineation report.

- LEGEND
- ⊕ - MONITOR WELL
 - ⊕ - RESIDENTIAL WELL
 - ⊕ - PUMP WELL
 - ⊕ - HYDROGEOLOGIC TEST BORING
 - ⊕ - W/DOX TREATMENT SYSTEM
 - ⊕ - TUNNEL PUMP WELL
 - ⊕ - RESIDENTIAL WELL (Water Well Viewer - MDEQ, 2004 & The University of Michigan)

