

May 31, 2012

Mr. Steven Hill
San Francisco Bay Regional Water Quality Control Board
1515 Clay Street, Suite 1400
Oakland, CA 94612

Subject: Notice of Enforcement Referral
Fuel Leak Case No. RO 0000001
GeoTracker Global ID T0600100250
2801 MacArthur Blvd., Oakland, CA 94602

Dear Mr. Hill,

This letter is in response to the May 18, 2012 letter to you from Alameda County Health Care Services Agency, Environmental Health Services, Environmental Protection (ACEH) requesting enforcement actions at the underground storage tank (UST) site located at 2801 MacArthur Boulevard in Oakland, California (Site).

As the responsible party, the APA Fund Ltd. (APA) is pleased that the Regional Water Quality Control Board (RWQCB) will be taking a leadership role at the Site. APA, however, has not been recalcitrant in our efforts to complete environmental cleanup activities, as indicated in the May 18, 2012 letter. The following timeline demonstrates that ACEH, as the oversight agency, has historically been extremely slow responding to APA:

1. APA submitted the *Additional Site Study Report* in July 2006 and this report indicated that the Site was stable and future environmental activities should be coordinated with proposed property redevelopment plans;
2. ACEH provided comments on the July 2006 report two years later on July 3, 2008;
3. APA provided a response to comments letter on September 12, 2008;
4. APA met with ACEH in 2006 and again in 2008 to present and explain the property owner's blueprint drawings for site redevelopment;
5. ACEH responded to APA nearly four years later on February 3, 2012, in a letter that imposed unreasonable due dates for future deliverables.

APA has communicated with ACEH both by telephone and email since receipt of the February 3, 2012 letter. ACEH was informed of the status of the work being performed, difficulties in retaining a new consultant, and reasons for the requests for extensions to deadlines imposed in the letter. In fact, in a phone call with the ACEH case manager on February 23, 2012 ACEH informed APA that they were pleased with recent progress and communications, and ACEH was willing to grant extensions as long as they knew that the work was progressing. On May 15th APA requested a meeting with ACEH to introduce our new consultant (Sierra West) and to discuss project scope, deliverables, and schedule. ACEH stated that they did not want to meet with us and that they would be transferring our site within the next month to the RWQCB due to caseload management.

APA is currently working diligently to provide the required deliverables in a timely manner. APA has uploaded the required data and information to GeoTracker and the ACEH ftp web sites. APA recently conducted groundwater monitoring activities, and APA has retained Sierra West Consultants, Inc. to

conduct the environmental cleanup activities. Sierra West submitted the semi-annual groundwater monitoring report on May 30, 2012.

Following receipt of funding approval from the UST Cleanup Fund, APA and Sierra West will have the wells surveyed by a licensed land surveyor and prepare the Site Conceptual Model (SCM). Sierra West, on behalf of APA, will prepare the Feasibility Study/Corrective Action Plan (FS/CAP) following receipt of RWQCB comments on the SCM.

APA appreciates this opportunity to work with the RWQCB, and we request a meeting at your earliest convenience to clarify and plan future deliverables and cleanup activities at the Site. Please contact me at (415) 254-7855 or armolnar@sbcglobal.net if you have any questions and to schedule a meeting.

Sincerely,



Aniko R. Molnar
Authorized Representative for
APA FUND, LTD.

Cc: Mr. Raymond Yu, Property Owner
Mr. Nicholas Molnar, APA Fund Ltd.
Ms. Donna Drogos, ACEH
Ms. Barbara Jakub, ACEH
Mr. Leroy Griffin, Oakland Fire Department
Mr. Jeffrey Bensch, Sierra West Consultants