Dear Ms. Roe,

There are more than four months since we have received your letter dated April 22, 2013, followed by our conference call held on April 23, 2013, (participants: yourself, Simon Tregurtha and Chris Panaitescu), and in this time we did not receive any other directives from Alameda County Environmental Health (ACEH).

During the above mentioned conference call you directed us to put on hold the requirements included in the April 22, 2013 letter (exempting the submittal of the Landowner form), because based on the evidence of a new release (acknowledged in your April 22, 2013 letter) you intended to request a meeting with Thrifty, ARCO and Tesoro, during which to discuss the new release and the appropriate lead responsible party for moving the case forward.

Thrifty's position with respect to the new release and the responsibility for the new release was presented to you during the above mentioned conference call, and summarized in my email dated 04/26/13 and attached to this message.

In the meantime, on June 12, 2013 we have conducted the second quarter 2013 monitoring / sampling event and reported the results in the "Second Quarter 2013 Status Report and Request for Low-Threat UST Case Closure" dated July 08, 2013.

Our recent review of the Geotracker site, revealed that on September 10, 2013 you denied our Geo_Report submitted on 07/09/13, for the following reason: "ACEH does not consider quarterly groundwater monitoring reports to be adequate Request for Closure documents. This document should be re-uploaded as a GWMR. ACEH request an updated site conceptual model and data gap investigation work plan in a directive letter dated April 22, 2013 in response to previous RFC's".

I would like to clarify that the request for closure included in our most recent quarterly report was not the first request for closure submitted by Thrifty for this site, but it was just a reiteration of our previous requests, from which the "Verification Soil Sampling and Downgradient Groundwater Investigation Report and Recommendation for Low Risk Regulatory Closure" document submitted to the ACEH on January 11, 2011 contains the information required for an updated site conceptual model.

The investigation reported on January 11, 2011 was intended to fill in the data gap and was conducted based on a workplan required and approved by the ACEH on October 14, 2010, so we do not consider that other investigation is necessary for Thrifty's release.

If based on the temporarily spikes in groundwater concentrations of the main constituents of concern (including ethanol) recorded during the sampling events conducted between October 2009 and December 2012, the ACEH considers that additional corrective actions are required (I.e. investigation, monitoring, remediation), we reiterate our request that Thrifty case be closed and a

new case be opened, based on the new release identified by Thrifty and acknowledged by the ACEH in the April 22, 2013 letter.

As documented in the previous reports and summarized in the email below, if a new case will be opened, we believe that ARCO should be designated as the primary responsible party.

In our 2nd quarter 2013 status report, we notified ACEH about our intention to discontinue all environmental activities at this site.

Our notification was based on the provisions of the Low Threat UST Case Closure Policy, the recommendations made by the SWRCB in their 5-Year reviews dated 11/22/10 (02/23/11) and 12/01/11 (03/07/12), and the placement of Station # 049, claim # 2115 in the **"SC"** (Site Closeout) budget category by the SWRCB for Fiscal Year 2013/2014.

If you believe that despite of all the evidences provided, Thrifty should continue performing corrective actions at this site, please send us a formal letter with a copy to the SWRCB. In this case, based on your requirement (s) we will request a budget category change from SWRCB-UST-CF.

Sincerely, Chris

Chris Panaitescu, General Manager Thrifty Oil Co. / Golden West Refining Co.

13116 Imperial Hwy. Santa Fe Springs, CA 90670 ph: (562) 921-3581 x 390 fax: (562) 921-7510 email: Panaitescu@ThriftyOil.com

From: Chris Panaitescu
Sent: Friday, April 26, 2013 3:39 PM
To: 'Roe, Dilan, Env. Health'
Cc: Simon Tregurtha
Subject: RE: Presence of Ethanol at Former TOC SS # 049 / ARCO #9535 / Tesoro # 63049

Dear Ms. Roe,

(1) Re: Meeting with Thrifty Oil Co., ARCO and Tesoro:

In response to your letter dated 04/22/13, your email dated 04/24/13 and following our phone conversation on 04/23/13, we did carefully review our file and came to the conclusion that there is no real reason to suspect that an Unauthorized Release occurred during Tesoro's operation of the above referenced facility.

Our opinion is based on the following facts:

- Former Thrifty SS # 049 was operated by ARCO since 05/14/97 until 05/23/12, when the operation was transferred to Tesoro.

- The detection of ethanol in groundwater is indicative of a release after 2003, when ethanol was first commonly used as a gasoline additive.

- The first detection of ethanol in groundwater was observed and recorded during the 10/21/09 sampling event, when the groundwater samples collected from three of the monitoring wells sampled, contained ethanol at concentrations between 9,660 μ g/L and 25,400 μ g/L.

- The results of the subsequent sampling events during which the ethanol was analyzed*, indicated that the ethanol was still present in groundwater, and it migrated in almost all directions, which is not totally unusual under the shallow groundwater condition beneath the site. In addition, on June 4, 2012, news reports indicated above average rainfall (0.09 inches in one day, which was closed to the average rainfall of 0.2 inches for the entire month of June), and it is assumed that this had encouraged the migration, especially for any surface spills.

- The concentrations of ethanol in groundwater samples is presented in the following table, while the graphs attached to this email present the evolution of TPH; Benzene; MTBE; TBA; Ethanol; and depth to groundwater, recorded during each sampling event, beginning October 2009, when ethanol was first detected.

Date of	Ethanol concentration in µg/L								Comments
sampling	MW-	MW-	MW-3	MW-	MW-	MW-6	MW-	RW-	
	1	2R		4R	5		7	1R	
10/21/09	<100	9,660	<100	25,400	<100	<100	<100	10,600	Operated
									by ARCO
06/06/12	<100	<100	<500	<100	9,300	51,000	<100	<100	Operated
									by Tesoro
									for 2
									weeks only
09/05/12	<100	<100	<100	<100	6,200	<100	<100	<100	
12/04/12	2,600	4,600	13,000	5,400	<100	<100	5,300	<100	

*(Note: The groundwater samples were not analyzed for ethanol during each sampling event, but only when the level of other constituents such TPHg and Benzene were higher than expected, and a new possible release was suspected).

- The fluctuation of ethanol as well as other constituents, suggest a surface release / spill, rather than a fuel system leak.

Based on the above information, I believe that the presence of Tesoro to the intended meeting is not necessary, and that they would be unfairly involved in a responsibility related dispute.

(2) Thrifty's request for low risk closure

Since (as stated in your letter dated 04/22/13) ACEH's determination that the site fails to meet LTCP criteria is mainly based on <u>the evidence of a new release</u>, it is our position that a new case should be opened, and Thrifty case RO0000004 be closed.

In addition to the technical information provided above, I would like to bring to your attention that by not closing Thrifty's case, any further corrective actions required to be conducted by Thrifty, will be deemed as ineligible for reimbursement by the Cleanup Fund, because of: - In their 5-Year review letter dated 11/22/10 (received by Thrifty on 02/23/11), the SWRCB – UST-CF recommended that *"If the confirmation sampling confirms the remediation, the site should be considered for closure"*.

- In their subsequent 5-Year review letter dated 12/01/11 (received by Thrifty on 03/07/12), the SWRCB recommended: "Based on the recently completed confirmation sampling results....the residual petroleum hydrocarbons that remain in soil and groundwater pose a low risk to public health, safety and environment. The Fund agrees with the claimant's consultant's recommendation for case closure".

- In the *"Underground Storage Tank Cleanup Fund fiscal Year 2013/2014 Site Budget"* document published by the SWRCB on *April 15, 2013,* Thrifty Station # 049, claim # 2115 was placed in **"SC"** (Site Closeout) budget category with an assigned budget of \$25,000. Based on a notice received from Mr. David Charter of the SWRCB-UST-CF for another Thrifty site, <u>the budget allocated for SC category will be paid on *"one-time only"* basis, and any costs not related to site closure activities would be found ineligible.</u>

The Landowner Form will be sent to your attention as soon as it is signed by Thrifty's Executive Vice-President.

If you have any comments or need additional information, please contact me at your convenience.

Sincerely, Chris

Chris Panaitescu, General Manager Thrifty Oil Co. / Golden West Refining Co. 13116 Imperial Hwy. Santa Fe Springs, CA 90670 ph: (562) 921-3581 x 390 fax: (562) 921-7510 email: Panaitescu@ThriftyOil.com

From: Roe, Dilan, Env. Health [mailto:Dilan.Roe@acgov.org]
Sent: Wednesday, April 24, 2013 9:14 AM
To: Chris Panaitescu
Subject: RE: Former TOC SS # 049 / ARCO #9535 / Tesoro # 63049

Hi Chris:

Please complete the Landowner Notification form listing Thrifty Oil Company as the sole owner and return to Alameda County Environmental Health by the due date specified in our Directive Letter dated April 22, 2012.

As discussed during our phone conversation yesterday, I will send out a notice to requesting a meeting with Thrifty Oil, Atlantic Richfield Company and Tesoro to discuss the new release and the appropriate lead responsible party for moving the case forward.

Thank-you,

Dilan Roe, P.E.

Supervising Hazardous Materials Specialist Alameda County Environmental Health 1131 Harbor Bay Parkway Alameda, CA 94502 510.567.6767; Ext. 36767 QIC: 30440 dilan.roe@acgov.org

PDF copies of case files can be reviewed/downloaded at:

http://www.acgov.org/aceh/lop/ust.htm