ENVIRONMENTAL COST MANAGEMENT, INC.
Managing Cost and Liability
660 Baker Street, Suite 253
Costa Mesa, California 92626
Main: (714) 662-2759 Fax: (714) 662-2758
www.ecostmanage.com

March 21, 2008

Jerry Wickham, P.G.
Hazardous Materials Specialist
Alameda County Health Care Services
Environmental Health Services
Environmental Protection
1131 Harbor Bay Parkway, Suite 250
Alameda, CA 94502-6577

Subject: Fuel Leak Case No. RO0000018 and Geotracker Global ID T0600100262, Carnation Dairy, 1310 14th Street, Oakland, CA 94607

Response to Alameda County Health Care Services Comment Letter dated February 13, 2008. and Revised PCB Workplan

Dear Mr. Wickham:

Environmental Cost Management, Inc. (ECM) on behalf of, and in conjunction with, Nestlé USA, Inc. (Nestlé) has prepared this response letter to address your technical comments in the above referenced letter. Also, attached is the revised PCBs Workplan (workplan) with the appropriate changes.

1. Historic Surface Staining

ECM retained EDR to obtain historic aerial photographs. Appendix A includes aerial photos taken in the area during 1939, 1946, 1958, 1965, 1982, 1993 and 1998. Review of these aerial photos indicates that the site was developed between 1946 and 1958 for industrial use. The 1946 photo indicates the site appears to have been used for residential purposes prior to industrial use. None of the aerial photos show any indication of the surface staining referenced in prior reports. Therefore, ECM is proposing to collect soil samples from six soil boring locations shown in Figure 2 of the attached workplan (Attachment A). These soil boring locations are located in areas of historic detections of PCBs at the site as summarized in Table 1.

2. PCB in Liquid Waste

Nestlé has conducted a comprehensive search of its records for the site. Unfortunately, no additional information exists and therefore we are not able to identify potential sources of liquid waste generated during site remediation. Most of the PCB related records during this period do not include copies of the actual laboratory analytical reports. The personnel who were performing this work are no

longer Nestlé employees or contractors and are not available for clarification of this issue.

Further, we would like to point out that in August 1990, Anania Geologic Engineering (AGE) was terminated as a Nestlé consultant. The details of this termination are not currently available, although it is suspected that AGE was terminated for unsatisfactory conduct related to the investigation and remediation of this site. Referring to the January 10, 1991 correspondence, Alameda County highlighted, on page 2 Andrew Dong of General Electric states: "it appeared that AGE may have randomly mixed the contaminated waste generated from the various remediation locations within the facility." Mr. Dong goes on to state: "Thorough inspection of the barrels containing the solid waste and equipment used in the remediation process revealed that the equipment has been purposely rendered inoperable when it was removed from service."

The only conclusion we can arrive at from the available information is that the liquid waste may have resulted from mixing of different waste streams by AGE for disposal.

3. Proposed Groundwater Sampling Method

ECM will use a low flow peristaltic pump to collect groundwater samples from the boreholes. The revised workplan includes the details of the soil and groundwater sampling protocols.

4. Source of PCBs

Table 1 and Figure 2 of the revised work plan present all available site wide PCB analytical results. Nestlé reviewed all available documents and confirmed that only the 1991 HLA report included actual lab reports. The AGE reports refer to the analytical results but do not include the laboratory reports or chain-of-custody documents. Further, we note that a fax cover sheet from AGE indicates the lab report and chain-of-custody records are available upon request. Our conclusion is that they were not requested and not obtained by Nestlé or others at the time. AGE no longer exists as a corporation and it's not possible to determine the laboratory used from the records.

ECM has reviewed the potential for co-solvency of PCB and the possibility of the fuel tanks being a potential source of PCBs. Because a firm conclusion is not possible, ECM has expanded the original scope of the revised workplan previously mentioned.

According to AGE's 1989 report, PCB was detected at a concentration of 66,000 µg/l in free product and 80µg/l in water samples collected from well PR-12. ACEH asked to evaluate the solubility of PCBs in organic solvents such as fuels compared to water. A literature review confirms solubility preference of PCBs in oils and fats compared to water. Although the wells in the area of historic detections were abandoned, ECM proposes in the attached revised workplan, in addition to water samples (ref. #3 above), to collect samples of any free product encountered in that surrounding area (PCB-2,3,5 and 6) for PCB analysis. Further, to respond to ACEH's inquiry of a potential source upgradient of PR-12, ECM is proposing three soil borings (PCB-3, PCB-5 and PCB-6) where the historical highest concentration of

PCBs were detected. To address the potential source between the fuel tank and PR-12, ECM is proposing one soil boring (PCB-2). Figure-2 of the attached revised workplan shows all the sampling locations.

5. Excavation of PCB-Contaminated Soil

Nestlé did not have any other active facility in Oakland. Therefore, it is believed that the discussion of excavation and incineration of 600 cubic yards of PCB impacted soils in the 1992 document originated from the 1310 14th street site.

We will initiate the scope of work proposed in the attached workplan concurrent with the implementation of the scope of work for the "Supplemental Soil, Soil Gas, and Groundwater Investigation Workplan" submitted to you on March 7, 2008. Please note that we have corrected the location of well PR-86 in Figure 2 of the revised workplan to reflect it's actual location in the November 7, 1989, AGE report. Prior ECM figures located it inaccurately further west of its true original location. Please call either Brent Searcy at (510) 433-0669 or Binayak Acharya at (661) 255-1693 should you have any questions.

Perjury Statement

I declare, under the perjury, that the information and/or recommendations contained in the document or report is true and correct to the best of my knowledge.

Sincerely,

REGISTERED PROFESSIONAL ENGINEER BRENT A. SEARCY No. C66647 Exp. 6/30/08 CIVIL STATE OF CALIFORNIA

Binayak Acharya
Environmental Cost Management, Inc.

Brent Searcy
Environmental Cost Management, Inc.

Cc: Mike Desso, Nestlé
Noelia Marti-Colon, Nestlé Legal
Ken Cheitlan, Hall Equities (Management Company for Encinal 14th Street, LLC)
Nestlé USA File
ECM File

Encl.

Table 1
Historical PCB Data

Sample Collected By	Sample Date	Type of Sample	Sample Location	Sample Depth	PCB Concentration µg/l (Aroclor® 1254)	Comments
HLA	19-Jun-91	Soil	SB-3	5.0 - 5.5	<50	
				11.0 - 11.5	<50	
				15.5 -16.0	<50	
	20-Jun-91		SB-6	10.0 - 10.5	100	
	19-Jun-91		SB-7	5.0 - 5.5	<50	
				11.0 - 11.5	<50	
				15.0 -15.5	<50	
			SB-8	5.5 - 6.0	55	
				10.5 - 11.0	130	
				15.0 -15.5	260	
			SB-9	5.0 - 5.5	<50	
				11.0 - 11.5	<50	
				15.0 -15.5	<50	
	20-Jun-91		SB-11	5.0 - 5.5	<50	
				11.0 - 11.5	<50	
				15.5 -16.0	<50	
		Liquid	SB-8 (free product, hydrocarbons)	10.0 - 11.0	49,000	
AGE	30-Aug-89	GW	MW-14		<1.0	
	13-Sep-89		MW-25		<1.0	
	3-Oct-89				<0.5	
	15-Nov-89				<500	
	13-Sep-89		MW-26		<1.0	
	3-Oct-89				<0.05	
	15-Nov-89				<500	
	13-Sep-89		MW-27		<1.0	
	3-Oct-89				<0.05	
	15-Nov-89				<500	
	13-Sep-89		MW-28		<1.0	
	3-Oct-89				<0.05	
	15-Nov-89				<500	
	13-Sep-89		MW-29		<1.0	
	3-Oct-89				<0.05	
	15-Nov-89				<500	

Table 1
Historical PCB Data

Sample Collected By	Sample Date	Type of Sample	Sample Location	Sample Depth	PCB Concentration µg/l (Aroclor® 1254)	Comments
AGE	25-Jan-89	Soil	Beneath the product distribution lines in the tank excavation area And Waste oil tank excavation area		ND	Source; November 17, 1989 report faxed from Jim Wallace (AGE) to Mr. Howard Schumkler, Carnation) Conclusion: No PCB contamination was associated with the fuel tank excavation
AGE	June 22-23, 1989	GW	PR-12		60	Source: November 17, 1989 report faxed from Jim Wallace (AGE) to Howard Schmuckler (Carnation). No laboratory data and COC are available to confirm this sampling activities and laboratory analyses.
		GW	PR-20, PR-22, PR-41, PR-55		ND	
	14-Jul-89	GW	PR-12		80	
			PR-12 (Free product, hydrocarbons)		66000	
	31-Aug-89	Soil	PR-85	2.5	ND	
				4.5	ND	
				9	ND	
			PR-86	2	ND	
				6	ND	
				10	870	
			PR-87	2	ND	
				6	ND	
				9	ND	
				14	ND	
			PR-88	10	ND	
				14	ND	
			PR-89	2	ND	
				6	ND	
				9.5	ND	
	15-Sep-89	Water from product recovery probes	PR-85		ND	
			PR-86		ND	
			PR-87		ND	
			PR-88		ND	
			PR-89		ND	

Notes:
PCB - polychlorinated biphenyl.
GW - groundwater
ND - not detected above laboratory reporting limit.
PCB detected above reporting limit

Appendix A

The EDR Aerial Photo Decade Package

Carnation Dairy
1310 14th Street
Oakalnd, CA 94607

Inquiry Number: 2171609.1

March 18, 2008

EDR® Environmental Data Resources Inc

The Standard in Environmental Risk Information

440 Wheelers Farms Road
Milford, Connecticut 06461

Nationwide Customer Service

Telephone: 1-800-352-0050
Fax: 1-800-231-6802
Internet: www.edrnet.com

EDR Aerial Photo Decade Package

Environmental Data Resources, Inc. (EDR) Aerial Photo Decade Package is a screening tool designed to assist environmental professionals in evaluating potential liability on a target property resulting from past activities. EDRs professional researchers provide digitally reproduced historical aerial photographs, and when available, provide one photo per decade.

When delivered electronically by EDR, the aerial photo images included with this report are for ONE TIME USE ONLY. Further reproduction of these aerial photo images is prohibited without permission from EDR. For more information contact your EDR Account Executive.

Thank you for your business.
Please contact EDR at 1-800-352-0050
with any questions or comments.

Date EDR Searched Historical Sources:

Aerial Photography March 18, 2008

Target Property:

1310 14th Street

Oakalnd, CA 94607

Year	***Scale***	***Details***	***Source***
1939	Aerial Photograph. Scale: 1"=333'	Flight Year: 1939	Fairchild
1946	Aerial Photograph. Scale: 1"=333'	Flight Year: 1946	Jack Ammann
1958	Aerial Photograph. Scale: 1"=333'	Flight Year: 1958	Cartwright
1965	Aerial Photograph. Scale: 1"=266'	Flight Year: 1965	Cartwright
1982	Aerial Photograph. Scale: 1"=500'	Flight Year: 1982	WSA
1993	Aerial Photograph. Scale: 1"=450'	Flight Year: 1993	USGS
1998	Aerial Photograph. Scale: 1"=450'	Flight Year: 1998	USGS


INQUIRY #: 2171609.1
YEAR: 1939
= 333'
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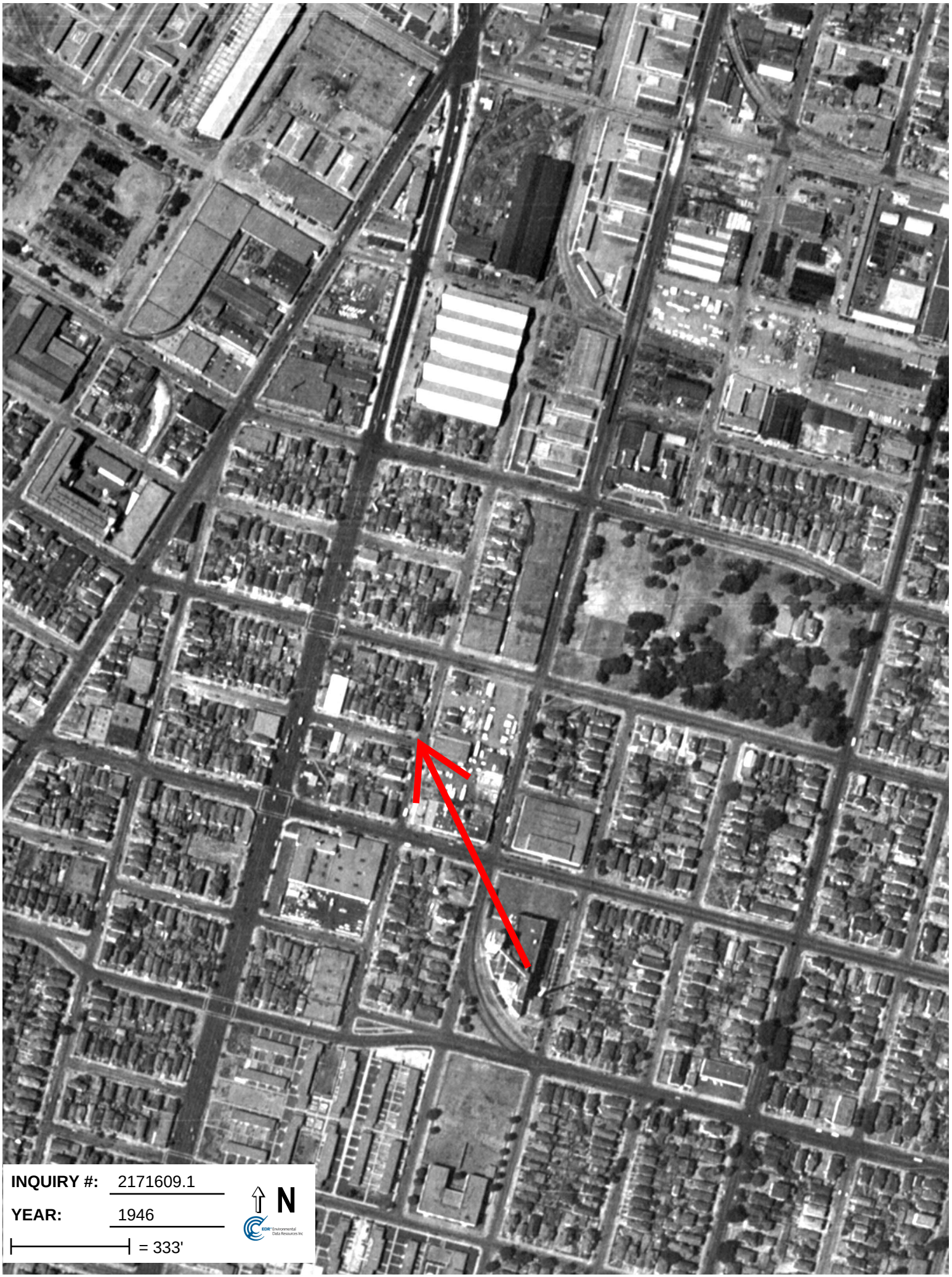
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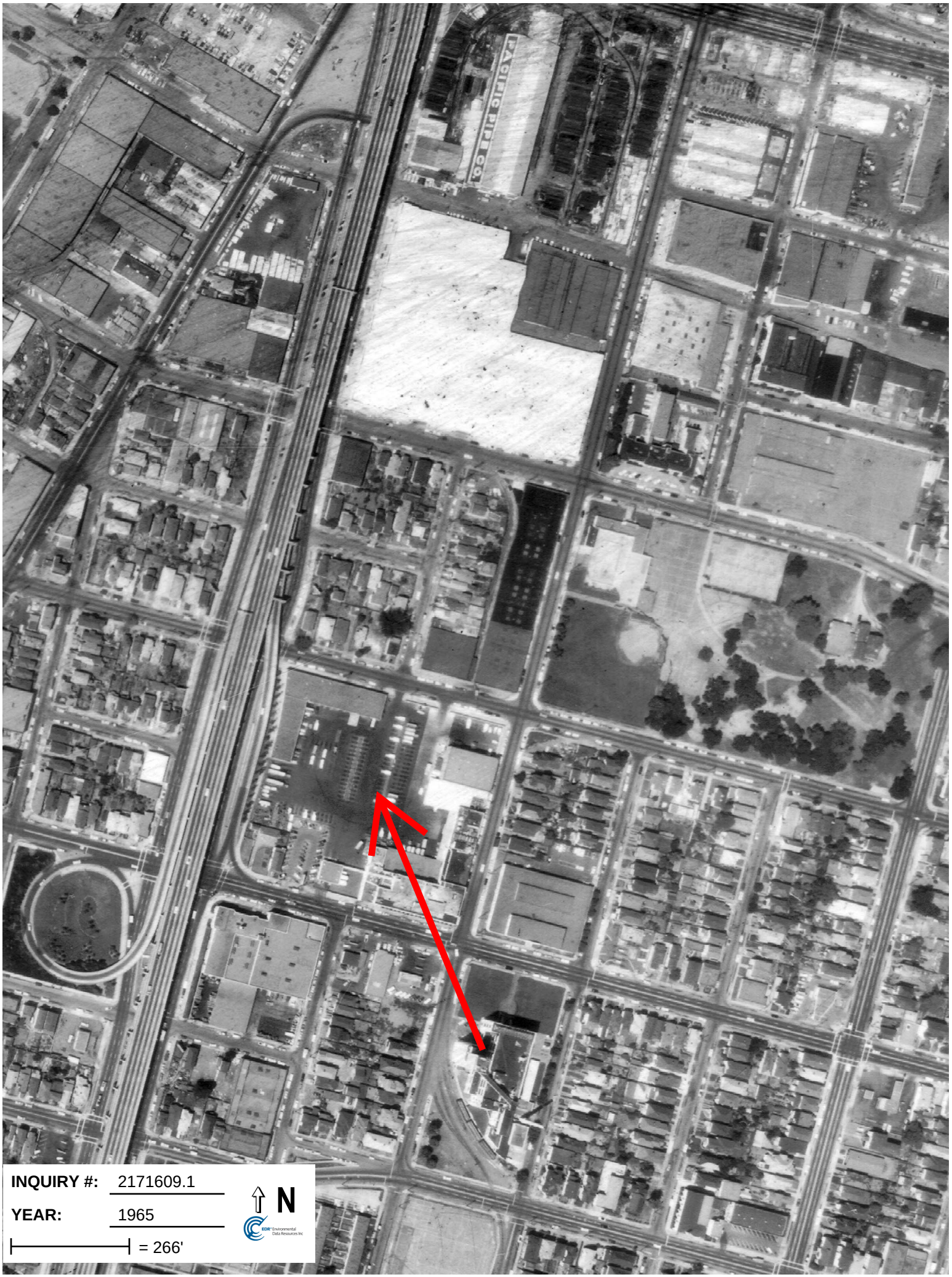

INQUIRY #: 2171609.1

YEAR: 1965

= 266'

N


INQUIRY #: 2171609.1
YEAR: 1982
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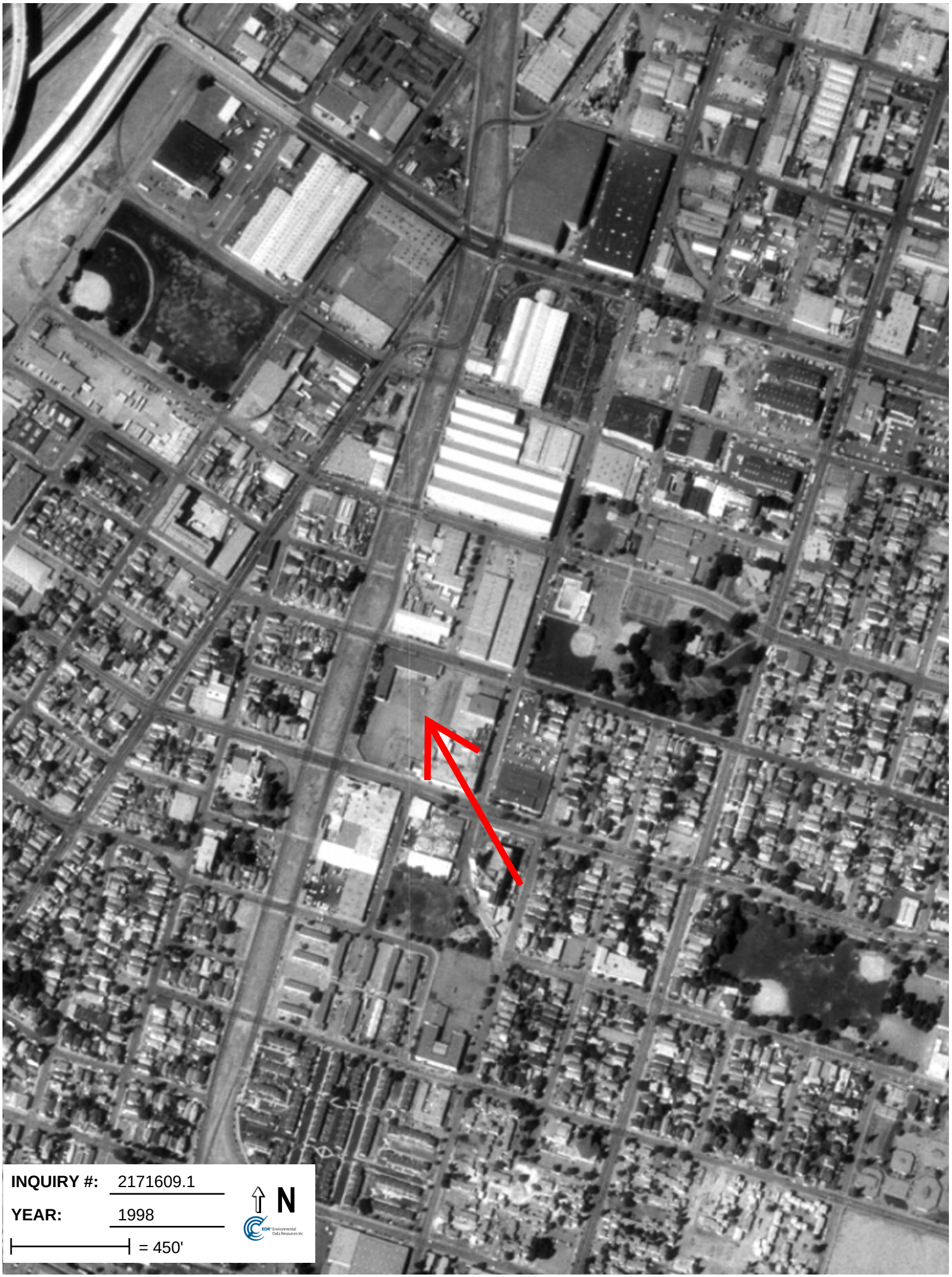
N


INQUIRY #: 2171609.1
YEAR: 1993
= 450'
N


INQUIRY #: 2171609.1
YEAR: 1998
= 450'
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Attachment A

ENVIRONMENTAL COST MANAGEMENT, INC.
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www.ecostmanage.com

March 21, 2008

Jerry Wickham, PG
Alameda County Health Care Services Agency
Environmental Health Services
1131 Harbor Bay Parkway, Suite 250
Alameda, CA 94502-6577

Re: REVISED WORKPLAN FOR SOIL AND GROUNDWATER SAMPLING FOR POLYCHLORINATED BIPHENYLS (PCBs), CARNATION DAIRY, 1310 14th STREET, OAKLAND, CA

Fuel Leak Case No. RO0000018 and Geotracker Global ID T0600100262

Dear Mr. Wickham:

On behalf of Nestlé USA, Inc. (Nestlé), Environmental Cost Management, Inc. (ECM) prepared this revised Workplan for Supplemental Soil and Groundwater Sampling for Polychlorinated Biphenyls (workplan) proposing soil and groundwater sampling at the site located at 1310 14th Street in Oakland, California (Figure 1, "the Site"). This workplan is revised in response to the February 13, 2008 comment letter from the Alameda County Health Care Services Agency (ACHC) to Nestlé and Encinal 14th Street, LLC regarding the previous workplan submitted on October 31, 2007. Item #10 of the ACHC's directive letter dated September 28, 2007 (directive) notes that PCBs were reported at the well location formerly known as PR12. Anania Geologic Engineering (AGE) reported PCBs at 0.06 milligrams per liter (mg/L) in groundwater in a 1989 unauthorized release report. The directive requests further identification of this reported detection at PR12.

A review of previous AGE reports shows inconsistent PCB findings at the Site. To clarify the existence or absence of PCBs in light of these inconsistent findings, ECM, on behalf of Nestlé, is proposing additional soil and groundwater sampling for PCBs. Additional soil and groundwater sampling locations for PCBs are shown in Figure 2. A Geoprobe® or similar direct-push rig will be used to advance borings to the depth of groundwater (estimated at approximately 10 feet below ground surface) to collect soil and groundwater samples at selected locations.

FIELD PROCEDURES

ECM will obtain soil boring permits from the Alameda County Public Works Agency, will mark the drilling area in white paint, and will notify Underground Service Alert (USA) at (800) 227-2600 at

least two working days prior to drilling. An experienced field geologist, under the supervision of a California-licensed professional geologist or civil engineer, will oversee all drilling and sampling efforts.

SOIL SAMPLING

Soil borings will be advanced using a 2-inch diameter direct-push Geoprobe® coring method. All borings will be logged during drilling and lithologic logs will be prepared for each boring. A soil sample will be collected from approximately 6 to 10 feet bgs (immediately above static groundwater elevation) for analysis of PCBs. The field geologist will obtain undisturbed soil samples for chemical analyses from the acetate liners. When sampling intact acetate liners, the field geologist will cut a 6-inch section and cover its ends with Teflon® squares and plastic end caps.

GROUNDWATER SAMPLING

Following the collection of a soil sample from a boring, ECM will obtain a grab groundwater sample from the shallow water-bearing zone. For locations where only a groundwater sample is proposed, ECM will use the direct-push rig to advance the borings directly to the water-bearing zone. The shallow water-bearing zone is estimated at approximately 9 feet bgs. The driller will advance the Hydropunch® sampler using direct-push methods and equipment. At the desired depth, the driller will then retract the outer casing to expose the screened interval and allow it to fill under hydrostatic pressure. The groundwater collected in the screened interval will be sampled using new, dedicated, Teflon® tubing and a low-flow peristaltic pump. The use of new disposable tubing will eliminate the need for decontamination.

The laboratory will provide containers with preservatives (if necessary) for collection of all groundwater samples. Labels, applied at the time of sample collection and documented on Chain-of-Custody forms, will identify the borehole of origin for each sample, as well as the depth from which the sample was collected, the date, and the project name. This information will be transferred to the chain-of-custody form along with the desired laboratory analysis.

DECONTAMINATION

New sample containers, bailers, and tubing will be used to collect samples. The supplier will certify that all sample containers are free of contaminants.

For any drilling components that are reusable, the driller will decontaminate the components to prevent cross contamination. All reusable equipment will undergo either a three-stage wash and rinse (e.g., wash equipment with a nonphosphate detergent, rinse with tap water, and final rinse with distilled water) or a steam cleaning process.

QA/QC SAMPLING

As part of field QA/QC:

- A trip blank (provided by the laboratory) will accompany each cooler;
- One equipment blank per day (decontamination water) will be sent to the laboratory for analysis to verify the effectiveness of decontamination procedures; and

- One duplicate sample (10% of the total number of samples or at least one per event) (groundwater only) will be collected.

SAMPLE HANDLING AND ANALYSES

Samples will be labeled and preserved in the field. Each sample will be placed in a water-tight plastic bag, and then packed in a plastic ice chest with sufficient ice to maintain 4°C ± 2°C during transport to the laboratory. The ice will be double-bagged to prevent contact of the melt water with the samples. The field personnel will be instructed to check that the cooler lid is closed prior to shipment to ensure the integrity of all samples. All coolers will be sealed with signed custody seals or evidence tape before shipping.

Chain-of-Custody forms identifying all the sample containers, chemical analysis requirements, and other field data required by the laboratory will be completed and affixed to each sample cooler and shipped to the off-site laboratory. Upon arrival at the laboratory, the designated laboratory personnel will open the cooler, inspect and record the condition of each sampling container, and sign the chain-of-custody form.

Nestlé will retain the services of a California-certified environmental laboratory to analyze soil and water samples for PCBs using US EPA method 8082.

WASTE HANDLING

Drilling-derived wastes will consist of soil cores, decontamination and purge water. Wastes will be placed within U.S. Department of Transportation (DOT)-approved 55-gallon drums at the boring locations. The waste disposal method will be determined based on the laboratory results of composite waste samples collected from the drums.

Decontamination water and purge water will be transferred to drums and will be stored onsite until the groundwater sample results are obtained. The water disposal method will be determined based on the results of the sampling analysis.

All personal protective equipment (PPE), disposable sampling supplies, and miscellaneous debris generared during the field implementation will will be securely contained in 55 gallon drums and stored on-site until final disposal is arranged

HEALTH AND SAFETY

A site specific health and safety plan will be prepared prior to commencement of the field work. Further, all work conducted by ECM personnel will be performed in a safe manner following the company policies and procedures. Only field personnel with current Hazardous Waste Operations and Emergency Response (HAZWOPER) training in accordance with the Occupational Safety and Health Administration (OSHA) will be allowed on the job site.

DATA EVALUATION AND REPORTING

ECM will report the findings of these activities within 60 days of the completion of field activities. The written letter report will document the results of the drilling and laboratory analysis for PCBs in groundwater and soil samples. The report will include an evaluation of the sampling results of the PCBs in groundwater and soil as related to previous PCB sampling discussed in the 1989 AGE

release report referenced above. This written report will provide the information and analysis requested by the ACHC in the Directive regarding current status of PCBs in the vicinity of former well PR12.

Your prompt review and approval of this work plan is respectfully requested. Please contact either Brent Searcy at (510) 433-0669 or Binayak Acharya at (661) 255-1693 should you have any questions.

Perjury Statement

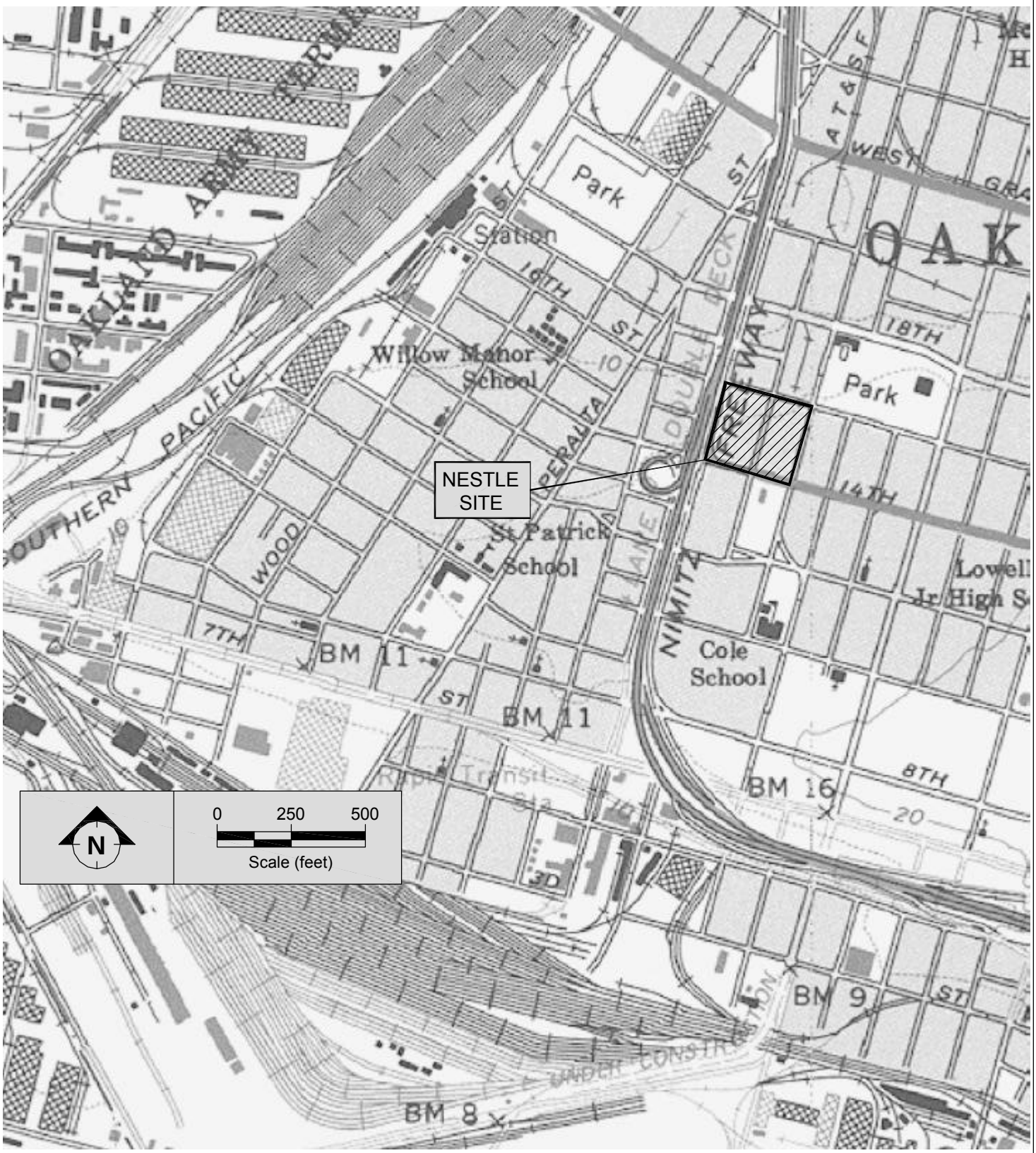
I declare, under penalty, that the information and/or recommendations contained in the document or report is true and correct to the best of my knowledge.

Sincerely,
Environmental Cost Management, Inc.

Binayak Acharya Brent Searcy, P.E.

Encl.: Perjury Statement
Figure 1: Site Location Map
Figure 2: Proposed Boring Locations

CC: Mike Desso – NUSA
Ken Cheitlin, Hall Equities
Nestlé USA, Inc. File
ECM - File



Project: Nestle-Oakland
Proj. Manager B. Acharya
Date drafted: 10/01/03
Chkd by:
Drafter: S. Gandhi
File Path: Ecmsrver\Nestle\Oak\Reports\Fig1 Topo

ENVIRONMENTAL COST MANAGEMENT

Managing Cost and Liability

660 Baker Street, Suite 253 ● Costa Mesa, CA 92626

Tel: (714) 662-2759 ● Fax: (714) 662-2758

Site Location

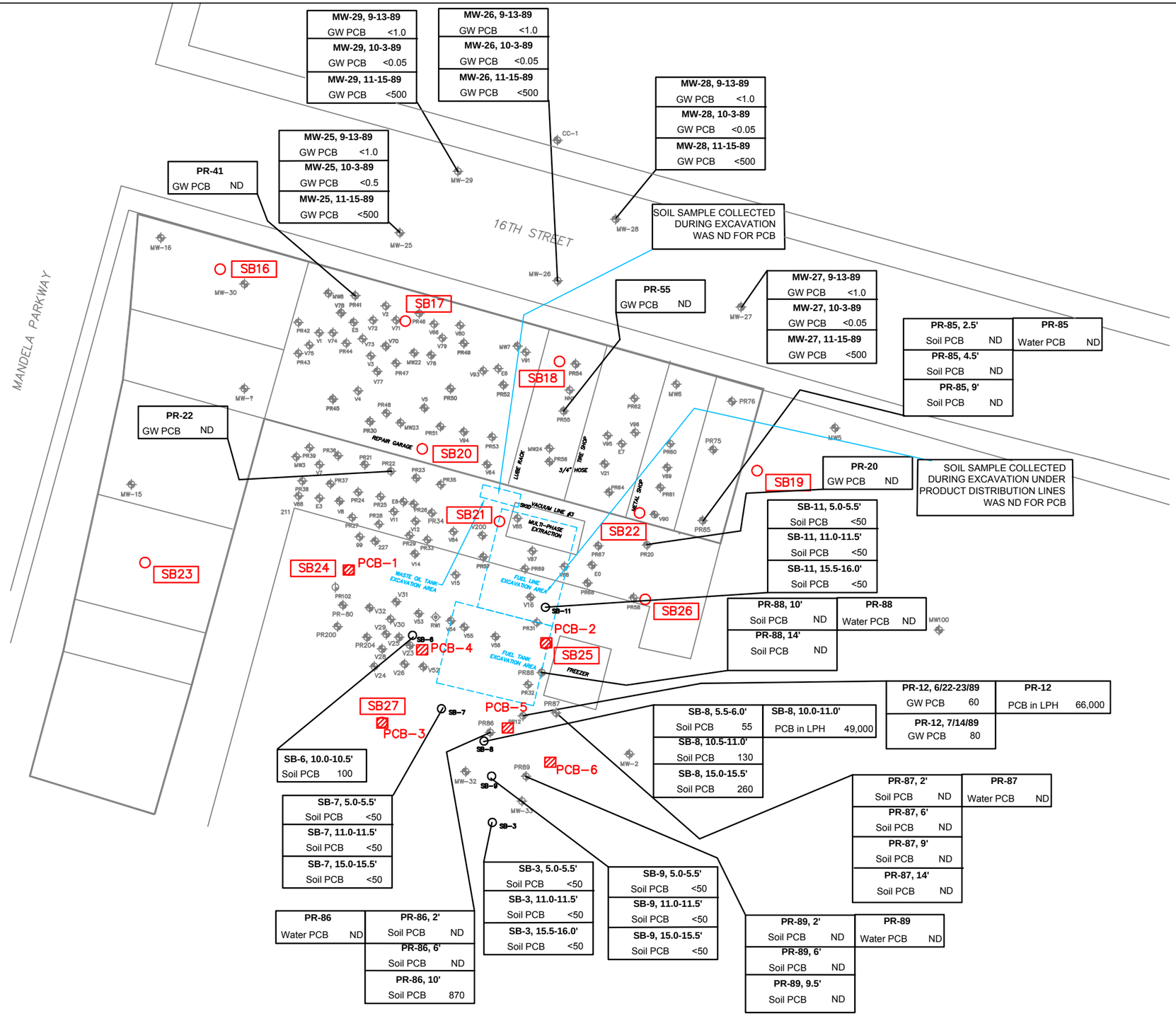
Former Nestle Oakland Facility

1310 14th Street, Oakland, CA-94607

Figure

1

Project: Nestle-Oakland
Proj. Manager: B. Acharya
Chkd by: T.Loof
Drafter: hat
Date drafted: 3/20/08
File Path: Nestle/Ripon/2006/ 2Q06SiteStatusReport



LEGEND:

- PROPOSED (FEB. 2008) SOIL BORING LOCATION — SB23
- HISTORICAL SOIL BORING LOCATION (INSTALLED AND SAMPLED JULY 1991)
- GROUNDWATER MONITORING AND VAPOR EXTRACTION WELLS
- PROPOSED PCB SAMPLING LOCATION — PCB-1
- PCB SAMPLING LOCATION COINCIDES WITH SOIL BORING PROPOSED MARCH 2008

NOTES:

1. PCB CONCENTRATIONS IN MICROGRAMS PER LITER (µg/L) FOR WATER OR MICROGAMS PER KILOGRAM (µg/kg) FOR SOIL.
2. THE LOCATION OF WELL PR-86 WAS MOVED TO THE EAST AS PER THE REPORT ENTITLED "REVISED PRELIMINARY ASSESSMENT - PCB'S AT OAKLAND", DATED NOVEMBER 7, 1989, BY ANANIA GEOLOGIC ENGINEERING (AGE), PROVIDED BY JIM WALLACE, AGE AND HOWARD SCHMUCKLER, CARNATION.
3. LPH = Liquid Phase Hydrocarbons
4. GW = Groundwater
5. PCB = POLYCHLORINATED BIPHENYLS

N

0 20 40
SCALE (FEET)

Former Nestle Oakland Facility
1310, 14th Street Oakland,
California - 94607

ENVIRONMENTAL COST MANAGEMENT, INC.
Managing Cost and Liability
660 Baker Street, Suite 253 ● Costa Mesa, CA 92626
Tel: (714) 662-2759 ● Fax: (714) 662-2758

PROPOSED SOIL BORING LOCATIONS
Revised PCB Work Plan
March 2008

Figure 2