



Cal/EPA

**San Francisco Bay
Regional Water
Quality Control
Board**

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*Pete Wilson
Governor*

Date: August 25, 1997
File Nos.: 01-S0298 (SIM)

Stuart M. Brightman
President - U.S. Operations
Dresser Energy Valve
11100 West Airport Boulevard
Stafford, Texas 77477-3014

SUBJECT: Grove Valve and Regulator Facility
6529 Hollis Street
Emeryville, California

Dear Mr. Brightman:

This letter will memorialize the discussions that we had Wednesday, August 6, 1997, with Ravi Arulanantham of my staff and Susan Hugo of Alameda County Health Care Services Agency regarding closure of the former Grove Valve and Regulator ("Grove Valve") facility in Emeryville. It is our understanding that Dresser Industries is currently negotiating the sale of the former Grove Valve facility. Representatives of Dresser and your prospective purchaser met with Ravi, Susan and I in order to review soil and groundwater data which has been generated since 1990 regarding the Grove Valve facility and the surrounding neighborhood. This data included a Phase I Environmental Site Assessment prepared by Canonie Environmental Services dated 1990; a Preliminary Soil and Groundwater Sampling Report by GeoLine Engineering and Safety Services, dated May 14, 1991; reports prepared by Woodward-Clyde Consultants dated April 27, 1992, and May 15, 1992; quarterly Groundwater Monitoring Reports prepared by Environmental Management & Engineering Inc. in 1996 and 1997; and the results of soil borings drilled in June 1997 by Clayton Environmental Consultants.

As you know, this data confirms that groundwater beneath the former Grove Valve facility is contaminated with Volatile Organic Compounds (VOCs) including trichloroethene (TCE), trichloroethane (TCA), dichloroethene (DCE) and tetrachloroethylene (PCE). The levels of TCE in shallow groundwater beneath the facility exceed the 5 µg/l Maximum Contaminant Level (MCL) for drinking water and have been as high as 1400 µg/l in Monitoring Well #3 in the past. While some VOCs and Total Petroleum Hydrocarbons (TPH) have been detected in some soil samples beneath the facility, it does not appear that this soil contamination has caused the groundwater contamination detected on your property.

Based on our review of the data gathered over the years and as well as that data contained in the above reports, we conclude that the source of Grove Valve facility does not appear to be a source of the VOC groundwater pollution beneath your facility and no further action related to the VOC or TPH soil or groundwater pollution is required. Based upon



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Our mission is to preserve and enhance the quality of California's water resources, and ensure their proper allocation and efficient use for the benefit of present and future generations.

Mr. Stuart M. Brightman
Dresser Energy Valve
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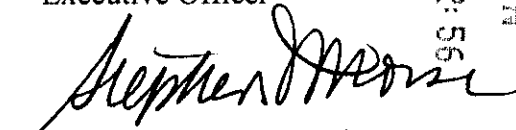
the information presented, it appears that the groundwater pollution detected beneath the subject property is likely the result of the migration of pollutants in groundwater from an upgradient site(s).

In general, the Board does not pursue enforcement action against a property owner whose land overlies polluted groundwater if that pollution is solely the result of the migration of groundwater contaminants from an off-site source or sources as in this case. Accordingly, the Board (and County) will not name Dresser Industries, subsequent purchasers or current or future lenders, investors or transferees regarding the VOC and TPH soil groundwater pollution at Grove. However, the Board (and County) may hold such a property owner responsible for investigation or cleanup tasks if he or she refuses to provide reasonable access to an upgradient discharger attempting to investigate and cleanup off-site groundwater pollution. In addition, any prospective purchaser will also have to take appropriate measures to handle any contaminated soil or groundwater which is excavated during redevelopment of the property. This letter may be assigned by the current owner or the prospective purchaser to a lender, future lender, investor or transferee and may be relied upon by said assignee.

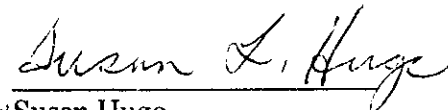
Please contact Ravi Arulanantham at (510) 286-1331 or Susan Hugo at (510) 567-6780 if you have any questions regarding this letter.

Sincerely,

Loretta K. Barsamian
Executive Officer


Stephen I. Morse, Chief
Toxics Cleanup Division

Concur:



Susan Hugo
Alameda County Health Care Services Agency

cc: Ignacio Dayrit, City of Emeryville
Susan Hugo, Alameda County HCSA
Tony Garvin, Brobeck Phleger & Harrison LLP
Christine K. Noma, Wendel Rosen Black & Dean
Barbara Cook, DTSC

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