



**Linda S. Adams**  
Secretary for  
Environmental Protection

# State Water Resources Control Board

---

## Division of Financial Assistance

1001 I Street • Sacramento, California 95814  
P.O. Box 944212 • Sacramento, California • 94244-2120  
(916) 341-5424 • FAX (916) 341-5806 • [www.waterboards.ca.gov/water\\_issues/programs/ustcf/](http://www.waterboards.ca.gov/water_issues/programs/ustcf/)



**Arnold Schwarzenegger**  
Governor

March 25, 2010

Cheng Family Living Trust  
Attn: Jeffrey Huynh  
1501 Darius Court  
San Leandro, CA 94577

PRE-APPROVAL OF CORRECTIVE ACTION COSTS,  
OSCF FILE NO. B110, PRE-APPROVAL REQUEST NO. 1  
SITE ADDRESS: 5901 MACARTHUR BLVD, OAKLAND, CA, 94605

I have reviewed your request, received on December 1, 2009, for pre-approval of corrective action costs.

With the following provisions, total cost pre-approved as eligible for reimbursement for completing corrective action required by Cheng Family Living Trust, is **\$132,900**; see the table below for a breakdown of costs.

Be aware that this pre-approval does not constitute a decision on reimbursement: **necessary** (as determined by the Fund) corrective action costs for action work **directed and approved by the Alameda County Environmental Health Services (ACEHS)** will be eligible for reimbursement at costs consistent with those pre-approved in this letter. However, depending on what happens in the field, some costs may not actually be necessary. If the Fund agrees that they were in fact necessary, the Fund will reimburse at reasonable rates (rates consistent with those pre-approved.) Final reimbursement will be based on the submittal of actual invoices for work performed.

***In order for future costs for corrective action to be part of the expedited reimbursement process, they must be pre-approved in writing by Fund staff. All costs for corrective action must meet the requirements of Article 11, Chapter 16, Underground Storage Tank Regulations in order to be eligible for reimbursement.***

**COST PRE-APPROVAL BREAKDOWN**

#	Task*	Amount Pre-Approved	Comments
Task 1	Past Eligible Assessment Response Costs	\$10,500	Preparation of a site assessment workplan, interaction with the claimant, regulator and the State Water Resources Control Board
Task 2	Site Assessment	\$49,400	Pre-mark soil boring locations for ground penetrating radar (if to be used), utility clearances, other utility clearances, H&S plan, all necessary permits (encroachment and/or wells installation), scheduling, coordination and PM. Drill up to 18 soil borings (as needed) to 25 bgs using either direct push or other technology. Collect and analyze soil samples as per the ACEH direction and SWRCB guidance. Cost is all inclusive of concrete coring, travel time, drilling, mob/de-mob, steam cleaning, traffic control, collecting soil samples at five foot intervals, logging, sampling, supervision, time, materials, equipment, instruments, supplies, support, coordination and PM. Prepare detailed SAR (sections for site background, history, geology, geohydrology, field activities, methodology, log of borings, figures, cross-sections showing the lithological & contaminant concentrations, is concentration maps in soil and GW [TPH(g), TPH(d), benzene, MTBE], Electronic data format and data submission confirmation no., findings, conclusions & recommendations.
Task 3	Project Management, AECH fees and bidding etc	\$23,000	Obtain all necessary permits, ACEH oversight fees, getting the necessary bids as per the OSCF program guidelines and prepare necessary reports to meet these requirements etc.

#	Task*	Amount Pre-Approved	Comments
Task 4	CAP – if required	\$50,000	This CAP is only if required and will be based on the findings of the site investigation. Due to the vacant nature of the lot and easy egress, and the depth to soil and GW contamination, it is contemplated at this time that even if a section of 20' x 20' x 18' deep is required to be over excavated and backfilled with clean soil to meet site closure for soil and possibly on-site GW (assuming there is not a significant GW plume extending off-site or that the on-site soil and GW have been cleaned up the County guidelines). This Cost will be for the total scope of work for the corrective action.
	<b>TOTAL PRE-APPROVED</b>	<b>\$132,900</b>	

- Only the tasks/costs reflected on the above table are pre-approved at this time. The Fund will review any tasks/costs that go beyond the pre-approved amount to be determined if the additional tasks and costs are necessary and reasonable. However, if costs exceed the above pre-approved amounts, Fund will be unable to expedite your Reimbursement Request.
- The work products must be acceptable to the ACEHS and the Regional Water Quality Control Board.
- If a different scope of work becomes necessary, then you must request pre-approval of costs on the new scope of work.
- Although I have referred to the City proposal in my pre-approval above, please be aware that you will be entering into a private contract: the State of California cannot compel you to sign any specific contract. This letter **pre-approves the costs** as presented in the proposal dated March 23, 2010, requesting pre-approval by OTG EnviroEngineering Solutions, Inc. for conducting the work required by the ACEHS.

I also want to remind you that the Fund's regulations require that you obtain at least three bids, or a bid waiver from Fund staff, from qualified firms for all necessary future

corrective action work. If you need assistance in procuring contractor and consultant services, don't hesitate to call me.

Please remember that it is still necessary to submit the actual costs of the work as explained in the Reimbursement Request Instructions to confirm that the costs are consistent with this pre-approval before you will be reimbursed. ***Please insure that your consultant prepares their invoices to include the required breakdown of costs on a time and materials basis, that invoiced tasks are consistent with the original proposal, and that reasonable explanations are provided for any changes made in the scope of work or increases in the costs. When the invoices are submitted you must include copies of all:***

- *subcontractor invoices,*
- *technical reports, when available, and*
- *applicable correspondence from the Regional Board.*

Should you have any questions, please feel free to contact me at [HPatel@waterboards.ca.gov](mailto:HPatel@waterboards.ca.gov), or by phone at (916) 341-5831.

Sincerely,

Hari Patel, Water Resources Control Engineer  
Technical Review Unit  
Underground Storage Tank Cleanup Fund

Enclosure

cc: Mr. Chuck Headlee  
RWQCB, Region 2  
1515 Clay Street, Ste. 1400  
Oakland, CA 94612

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

Mr. Xingang tong, Ph.D., P.E.  
OTG EnviroEngineering Solutions, Inc.  
7700 Edgewater Drive, Suite 260,  
Oakland, CA 94621