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Alameda County
Environmental Health



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December 17, 2007

Mr. 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

submitted electronically to <ftp://alcoftp1.acgov.org>

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

Revised Response to Alameda County Health Care Services directive dated
September 28, 2007 and Proposed Action Plan.

Dear Mr. Wickham:

Nestlé USA, Inc. (Nestlé) is writing in regard to the above referenced directive. ECM responded in writing to the directive by letter dated October 31, 2007. Nestlé representatives, Hall Equities Group, Inc. (representing Encinal), and representatives of Alameda County Health Care Services (ACHS) (you and Donna Drogos) met at ACHS offices on November 28, 2007, to discuss the ACHS directive and the October 31, 2007 response.

Responding to the discussions during the November 28 meeting, this letter updates and supplements the proposals contained in the October 31, 2007 letter. Nestlé is revising its proposed course of action as follows: Nestlé is proposing to submit a Site Conceptual Model (SCM), along with additional field data addressing the data gaps you identified relative to the characterization of the site, and, ultimately, to submit a revised Risk Based Corrective Action report for the Deed Restricted portion of the property.

On a procedural note, item No. 1 of ACHS's September 28, 2007, directive pertains to the possibility of Nestlé and Encinal to designate the site as two separate regulatory cases, the Deed Restricted area (northwest portion of the property) and the Unrestricted area (remainder of the property). Nestlé, per the discussions held on November 28th, understands ACHS's preference to consider case separation requests at the point in time

when one portion of the site is approaching case closure. As such, Nestlé and Encinal will jointly consider the need for case separation. Nestlé and Encinal will make a case separation request if and when separation into two regulatory cases appears to be beneficial in addressing the remaining issues at the site. Today's letter addresses the items in the ACHS directive (items No. 2 through No. 10) which relate only to the Deed Restricted portion of the property.

Revised Site Conceptual Model (SCM)

Per the ACHS September 28, 2007, directive and the discussions during the November 28, 2007 meeting, Nestlé plans to reassess the SCM and more thoroughly analyze the historical data in an integrated context. The SCM will describe the Deed Restricted portion of the property in terms of geology, hydrogeology, and the likely movement or stability of dissolved and separate phase chemicals in the subsurface. Furthermore, the influence of site-specific features such as utility conduits, in-ground hydraulic lifts, in-ground oil/water separators, and existing building foundations will be assessed. By bringing this data together in a revised SCM, a comprehensive presentation of overall site conditions will be developed.

This revised SCM will allow us to assess any data gaps in the current characterization of the Deed Restricted portion of the property. Identification of data gaps may necessitate additional field work, as discussed later in this letter.

Reevaluation and revision of the SCM will address the following specific concerns identified in the ACHS's September 28, 2007 directive:

- **Soil Vapor Sampling Results and Potential Indoor Vapor Intrusion**

The ACHS questioned whether the existing soil vapor data adequately represents current conditions at the Deed Restricted portion of the property. The majority of this data was collected in August 1999. In addition, ACHS requested an assessment of whether a sufficient number of vapor sampling points inside existing buildings on the Deed Restricted portion of the property have been collected. The revised SCM will assess the adequacy of previously collected soil vapor data and will identify any data gaps with respect to soil gas concentrations. Nestle understands that adequate characterization of soil vapor concentrations beneath the Deed Restricted portion of the property is critical to completion of the revised Risk Assessment planned for the Deed Restricted portion of the property. Any need for additional soil vapor sampling which is identified in the development of the SCM will be proposed via a work plan submitted to ACHS for review and comment.

- **Free Phase Product**

The ACHS directive notes that free product thicknesses rebounded in several wells (MW23, MW24, PR12, PR58, and PR64) following the shutdown of the dual phase extraction system. The directive requests additional research or additional investigation to address the existence of subsurface features (building foundations, subsurface utility trenches, storm drains) which may influence the movement, or lack thereof, of free phase product in areas near these wells. The revised SCM will incorporate the data recently collected during a comprehensive subsurface utility survey and any available information on existing building foundations and/or other

subsurface structural features. This information will be used to support the site conceptual model with reference to the likely subsurface transport phenomena for dissolved and free phase hydrocarbons. The site conceptual model will also assess the possibility that these features may influence flow patterns.

- **Post-Remediation Groundwater Monitoring Results**

The ACHS directive requests verification of the overall decrease in post-remediation dissolved phase hydrocarbon concentrations. The directive recommends that the verification be conducted either through a review of groundwater monitoring or through additional investigation.

The proposed revised SCM will incorporate the results of the post-remediation monitoring performed between June 2000 and November 2004. ACHS approved this sampling program following the shut down of the dual phase extraction system in June 2000. The post remediation sampling results will be used to assess the current stability of the residual hydrocarbon concentrations in soil and groundwater beneath the Deed Restricted portion of the property. In conjunction with other hydrogeologic data, these post-remediation monitoring results will be integrated into the SCM and will be used in developing a revised Risk Assessment for the Deed Restricted portion of the property.

- **Hydraulic Gradient and Plume Stability:**

The ACHS requested clarification of the historical interpretations of the hydraulic gradient across the site. In particular, the ACHS's September 28, 2007, directive asks that the interpretation of groundwater elevation data at several downgradient and offsite wells be reevaluated to ensure consistent understanding of the historical groundwater gradient for the Deed Restricted portion of the property. The revised SCM will present historical data and more recent groundwater elevation data for better conceptual understanding of groundwater movement beneath the Deed Restricted portion of the property.

- **Diary Fat and Detergent**

The September 28, 2007, directive questioned the potential source of dairy fat and detergent noted in an April 3, 1989, report by Anania Geologic Engineering. Per discussions held with ACHS during the November 28th meeting, Nestlé understands that the ACHS is interested in an assessment of these detections as they relate to the overall understanding of potential sources of releases to the subsurface. ACHS has suggested that former on-site utility features such as sanitary sewer lines may have been the historical source of these detections. ECM, on behalf of Nestlé, has recently completed a comprehensive survey of utility lines and conduits beneath the site and will incorporate this information in the development of the revised SCM for the Deed Restricted portion of the property. The detections of dairy fat and detergent will be assessed in conjunction with other subsurface concentration data and any relevant subsurface features identified in the utility survey.

- **Petroleum Hydrocarbons Detected in Soil and Soil Vapor at SB12**

The September 28, 2007 directive requests an assessment of the source(s) of hydrocarbons detected in soil and soil vapor at SB12 in August 1999. This data will be assessed alongside other soil, groundwater, and soil vapor data in the development of the revised SCM. The results of this effort should allow for an improved interpretation of the origin of hydrocarbons in the SB12 area and an

assessment of the whether or not these historical concentrations are related to a source other than the five USTs excavated in 1998 and 1999.

- **PCBs were Identified at PR12 in Groundwater**

The ACHS notes that PCBs were detected at levels of 0.06 mg/L and below as reported in a September 1989 Anania Geologic Engineering report. Nestlé has subsequently provided ACHS with a collection of documents (previously transmitted to the Department of Toxic Substances on November 2006) which provide information regarding PCBs on the Deed Restricted portion of the property. Upon ACHS review of this information, Nestlé anticipates ACHS comment on the October 31, 2007 *Workplan for Supplemental Groundwater Sampling for Polychlorinated Biphenyls*.

Additional Field Sampling

As mentioned in the previous paragraph, Nestlé submitted a workplan to ACHS for additional sampling for PCBs, as requested in the September 28, 2007, directive. Nestlé supplemented this workplan with historical information related to PCB sampling at the Deed Restricted portion of the property. After ACHS's review of this information, Nestlé anticipates incorporating agency comments on the workplan and then proceeding with field sampling.

In addition to this field work, if Nestlé identifies additional data gaps while developing the SCM, Nestlé would then propose appropriate field sampling to address those gaps. Clarification of these data gaps would most likely occur following ACHS receipt and review of the revised SCM. Nestlé intends to discuss any additional field sampling required to adequately characterize the Deed Restricted portion of the property with ACHS in advance of performing a revised RBCA analysis.

Revised Risk-Based Corrective Action Analysis (RBCA)

The September 28, 2007, directive rejected the August 2000 RBCA analysis performed by JCI Consulting, Inc. because the document was not signed and the author's credentials and professional licenses are questionable. To address this issue, and to insure that any data collected and analyses performed as part of the revised SCM effort (described above) are incorporated in the revised RBCA, Nestlé proposes to have a qualified risk assessment professional review the August 2000 RBCA, the revised SCM, and any field data collected since the previous RBCA analysis. After review of this information by a qualified risk professional, Nestlé will develop and submit a revised and updated RBCA for the Deed Restricted portion of the property.

The purpose of this revised RBCA report will be to assess all applicable exposure pathways at the Deed Restricted portion of the property due to any residual hydrocarbons remaining in soil and groundwater beneath the Deed Restricted portion of the property. This revised RBCA will identify exposure risks associated with residual contamination on the Deed Restricted portion of the property that have not been previously addressed through remediation or deed restrictions.

Schedule

In order to respond to the ACHS directive and the items discussed at the November 28, 2007, meeting, Nestlé proposes to submit a revised SCM report to ACHS by March 14, 2008. Following ACHS review of the revised SCM, Nestlé anticipates a meeting with ACHS to discuss any additional data gaps. Work plans for the collection of additional data will be submitted within 60 days of the receipt of comments on the SCM. Depending on the comments received on the revised SCM, and the potential need for the collection of additional field data, a time line for resubmission of the RBCA analysis will be developed and submitted to ACHS.

Thank you for your review of this response to the ACHC directive and the proposed action plan for addressing items No. 1 through 10 detailed in the directive. Please feel free to contact me at 818-549-5746 with any further questions regarding this matter.

Sincerely,



Michael Desso

Head Division Environmental & Safety

Nestlé USA, Inc.

Cc: Noelia Marti-Colon
Binayak Acharya - ECM
Ken Cheitlan, Hall Equities