



WZI INC.

4800 Easton Drive, Suite 114
Bakersfield, California 93309

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805-326-1112
805-326-0191 FAX

83 East Shaw Avenue, Suite 250
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209-222-1667
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FAX LEAD SHEET

To: Richard G. Jones

Company: Agriculture Industries

From: Sue Kiser for Steve Muir

Subject: _____

Message: _____

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February 18, 1992

Mr. Richard G. Jones
Agriculture Industries Inc.
Post Office Box 1076
West Sacramento, California 95691

**Re: Site Assessment
3880 Mountain House Road
Tracy, California**

Dear Dick:

WZI Inc. is pleased to submit this proposal to conduct a phased Site Assessment and Remediation of gasoline contaminated soil at one of your management properties located at 3880 Mountain House Road, Alameda County, California. WZI Inc. has significant experience in performing environmental site assessments for real estate transactions, liability reduction, regulatory compliance and expert second opinion, as well as being fully insured. As per your request, we have attempted to design a plan that will combine as many of the elements of soil remediation efforts with site assessment requirements in an attempt to keep overall project costs as low as possible.

Site Description

The information you have given me and other information I have obtained from our Bakersfield office and Alameda County Department of Environmental Health indicate:

1. A 550 gallon underground storage tank (UST) that was used for gasoline fueling operations at the shop site was removed during January, 1992. No permit was obtained from Alameda County nor was the tank registered as per California State underground storage tank regulations. The tank is physically intact and is still present on the property.
2. Soil found at the surface where the tank was removed appears to have a faint odor of hydrocarbon. The soil is probably contaminated with gasoline fuel.
3. A water well is present adjacent to the former tank site and may pose a possible health hazard if gasoline has contaminated the local groundwater. This is a likely possibility if the water table is near the ground surface.

Regulatory Requirements

As you are probably already aware, the owner of this property will be required by Alameda County Department of Health and the California Regional Water Quality Control Board to complete certain actions in order to "close" the underground tank status. These actions will most likely include the following items:

1. Obtain a permit from Alameda County for the tank pull and register the tank. This will require payment of back fees and coordinating a permit to pull the tank with Alameda County Department of Environmental Health. Since the tank was previously unknown to you and was pulled out without your permission a permit may be obtainable without too much difficulty. We believe that the county health department will not complicate things as long as the current efforts are fully disclosing of what has happened and that you will proceed in the future with the regulations in place. The current condition of the tank will need to be documented prior to disposal of the tank. As part of the tank pull process Alameda County will want to obtain an independent soil sample from the subsurface where the tank was located. This will require reexcavation of the former tank site. This excavation can be combined with a county required Site Assessment Investigation.
2. Since soil contamination is likely, a Site Assessment Investigation will be necessary. This action is to be required to define the nature and extent of the soil hydrocarbon contamination problem on the property. Prior to conducting this investigation, the county will require that a Work Plan be designed and reviewed by a California Registered Geologist. The Work Plan will define what the investigation shall cover and how it shall be executed. The county has the option of approving or disapproving the Work Plan. Upon county approval of the Work Plan, the subsurface portion of the investigation can start.

If groundwater has been affected, a series of monitoring wells to collect water samples will be required by the county to define the lateral and vertical extent of any contamination.

3. Preparation of a Problem Assessment Report and Soil and/or Groundwater Remediation Plan to be submitted to the County. This document will report the findings of the Site Assessment Investigation and propose how the contaminated soil and/or groundwater will be cleaned up. This report must be signed by a California Registered Geologist or Certified Engineering Geologist.
4. Actual remediation of the contaminated soil and/or groundwater according to the Remediation Plan. The Work Plan would most likely call for excavation of all contaminated soil from the subsurface and stockpiling on the surface. It is likely that a portion of the surface objects in the shop yard may have to be removed for this to occur. Once all contaminated soil has been removed the excavation can be backfilled with pea gravel provided the size of the excavation is relatively small. If backfilling with clean dirt is desired then a compaction report will be required

from a Registered Geotechnical Engineer in order for future building permits to be issued over the excavation.

Contaminated soil placed on the plastic sheet may be remediated by controlled aeration after a permit from the Air Pollution Control District has been obtained. The air pollution regulations are changing very rapidly and depending on how fast the project proceeds soil aeration may or may not be a viable remediation alternative. Other soil remediation options for this size project are available but are more expensive.

If groundwater has been contaminated then a plan to clean it up will be required. Various options are available to conduct this effort and can be discussed at the appropriate time, if required.

5. Preparation and submittal of a Site Closure Document to the County reporting all findings and status of contamination and resulting cleanup activities. This report will be reviewed by both the County and State of California Water Resources Control Board. Their acceptance of the document will grant the property owner closure status and will not require any additional work to be done.

Proposed Work Plan

Because of the probable small scale of the soil contamination at your site, WZI Inc. proposes to combine the Site Assessment and Remediation phases into one effort. A reexcavation of the former tank site and removal of all contaminated soil will identify the subsurface extent of the gasoline contamination and at the same time remove that contaminated material. If soil contamination is found then exploratory trenching can be conducted immediately to define the lateral and vertical extent of the contamination. Any contaminated soil identified can be excavated and stockpiled at an appropriate site on the property. This contaminated soil can then be covered until a remediation plan is approved.

We have the necessary personnel and equipment available to us to handle the excavation process if you wish. If the owner wishes to do some or all of the excavation work himself we would not have problem with this provided that excavation is not required to go any deeper than about twenty feet and that certain liability waivers will be granted to us.

Our specific approach will be the following:

1. Prepare appropriate applications for the tank pull and submit a Work Plan to Alameda County. We will provide the necessary Registered Geologist and Certified Engineering Geologist on-site support during the excavation process and subsequent soil sampling. WZI will supervise excavation and stockpiling of all contaminated soil and will collect samples as appropriate. Contaminated soil will be stockpiled on sheets of visqueen and prepared for aeration. The excavation will have to stay open until a confirmed sampling of the soil shows nondetection levels of contaminations and Alameda County grants permission to backfill.

2. Prepare a Phase I Site Assessment Report of the property which will provide all investigative background information the County will require and in addition will also provide the bulk of the information required for preparation of the Problem Assessment Report.
3. An Authority to Construct Air Permit will be applied for in this effort to allow the start of aeration of contaminated soil that will be removed during the reexcavation. Samples will be taken from the stockpile to determine concentration levels of contamination and if required, modification of the Air Permit, WZI will supervise the sampling and process of the soil aeration until nondetection levels are achieved.
4. WZI will prepare the Problem Assessment Report and Soil Remediation Plan to be submitted to the County as soon as the excavation is backfilled. This report will provide the County all significant data they will want regarding the Site Assessment investigation results and the final plan for remediation of the soil. It is likely this report will be submitted to the County prior to the conclusion of the aeration process removing all of the gasoline from the soil.

WZI Inc. will implement a Health and Safety Program as required by 29 CFR 1910.120 during any hazardous waste field inspection of the property and during excavation operations to assure that the health and safety of personnel are protected while on-site. Based on available data, this site will be designed as a OSHA outlined Level D site for protective clothing purposes.

COST ESTIMATE AND CONTRACT TERMS

The cost to perform the effort as outlined above is estimated as follows:

Phase I Preliminary Site Assessment and Work Plan Preparation	\$3,000
Supervise Excavation and On-Site Work Including Sampling, Mapping, and Other Associated Professional Work (Based on three days of field work)	2,900
Preparation of Problem Assessment Report and Soil Remediation Plan (Based on two days work)	<u>2,000</u>
Total Professional Costs	\$7,900

This cost does not include any heavy equipment costs, laboratory analysis of samples collected, any equipment costs for additional studies that the County may require such as shallow borings or any associated governmental permit costs. The estimate assumes that the contaminated soil will be easy to excavate and does not exceed a large volume.

In addition, we also assume that groundwater is not affected. We estimate that these additional costs will be dependant upon how much work the property owner wishes to conduct himself but an estimate of \$3,000 to \$7,000 to complete these items is reasonable. These costs will be billed to you directly and not through WZI Inc.

WZI Inc. is prepared to commence work upon receipt of your authorization to proceed with the Phase I Preliminary Site Assessment and Work Plan Preparation for a fixed price of \$3,000 on an immediate basis. The field work will require one (1) day and the final report will be delivered within ten (10) working days after completion of the field work.

The additional work outlined above will be done under another letter contract agreement once a determination has been made on how your client wants to execute the excavation procedure. We cannot forecast how long it will take Stanislaus County to review the Work Plan but approximately thirty days should be a reasonable estimate. We can begin the excavation process immediately after receiving approval.

All of the work will be conducted under our attached General Terms and Conditions. Please sign both copies of this proposal if you are in agreement and return one in the enclosed envelope provided for your convenience.

As with all projects of this nature, we require a partial payment of \$1,500 prior to commencement.

Please contact me should you have any questions or require additional information. We look forward to being of service to you.

Sincerely,

Susan Chandler Kiser for

Stephen G. Muir
 Manager, Geotechnical Services
 Certified Engineering Geologist #1224

SGM/jb
 Attachment/Enclosure
 0137.0010.001

Proposal accepted this _____ day of _____, 1992.

Mr. Richard G. Jones
 for
 Agriculture Industries Inc.

GENERAL TERMS & CONDITIONS

Effective January 25, 1989

The Terms & Conditions set forth below shall apply to all Contracts between WZI Inc. (WZI) and any Client, except as may otherwise be specifically agreed in writing by WZI.

1. **CONTRACT** • WZI's acceptance of any purchase order, work order, letter of authorization, verbal authorization, or other contractual agreement is specifically conditional upon Client's assent to these Terms & Conditions and Rate Schedule (except for a completed fixed price contract), which shall form part of any agreement between WZI and Client (the "Contract"), and shall supersede any and all conflicting provisions of any such other document or oral understanding heretofore generated by WZI and/or Client.
2. **INVOICES AND SERVICES CHARGES** • All WZI invoices to Client for services rendered and direct charges incurred under the Contract shall be promptly payable as set forth in the Rate Schedule. In the event Client fails to pay an invoice within 35 days of its submittal or otherwise breaches the Contract, WZI's contractual obligations may be immediately suspended or terminated, at WZI's option, upon mailing of written notice to Client. Should Client dispute any portion of an invoice, Client agrees to immediately pay the undisputed amounts. WZI and Client agree the loss due to untimely payment of WZI's invoices, including accounting and management time and for the use of money, makes it impractical and extremely difficult to presently fix its actual damages and further agree the service charge set forth in the Rate Schedule is a reasonable estimate of the actual incurred and foreseeable loss.
3. **OBLIGATION** • WZI's obligation under the Contract is limited to the preparation of acceptable and workmanlike project plans and specifications under Client's direction and approval and to render any other services hereunder in a professional manner consistent with industry standards. In no event shall WZI be responsible for any failure on the part of any contractor, subcontractor, or other person to perform work on the Project according to plans and specifications except to provide a work product in accordance with industry standards. WZI's sole liability to Client shall be limited to the correction of any errors in WZI's work product, and consequential damages resulting therefrom. In no event shall WZI be in any way liable for consequential damages or damages due to errors in Client's designs or specifications.
4. **INDEMNIFICATION** • Client agrees to release WZI from any and all claims, losses, liabilities, and expenses of any nature whatsoever, including WZI's actual attorneys' fees, incurred on account of bodily injury, disease, death, damage to property, loss of profits, or other losses arising out of non-performance, negligence, or fault, in whole or in part or active or passive, of any person, including WZI, in connection with the Project, so long as the liability is not the result of WZI's negligence or willful misconduct.
5. **TERMINATION** • WZI has a right to complete all services agreed to be rendered pursuant to this Contract. In the event this Contract is terminated before the completion of all services, unless WZI is responsible for such early termination, Client agrees to release WZI from all liability for work performed. In the event of Contract termination prior to completion, including fixed price contracts, Client shall pay WZI: all professional fees per this Rate Schedule on a time and materials basis and all direct charges incurred pursuant to or as a result of the Contract and prior to the effective date of termination; and all demobilization, project reconciliation, and personnel reassignment costs resulting from such termination. WZI will deliver work product completed to the effective date of termination.
6. **NON-SOLICITATION** • Client agrees they will not at any time during which WZI is performing services pursuant to the Contract and for 180 days thereafter, hire, solicit, or accept solicitation for the services, by way of employment or any other means, of any WZI employee or independent contractor with whom Client has direct contact pursuant to the Contract; it is further agreed and understood if Client in any way violates this covenant, WZI will incur substantial damages which would be impractical or extremely difficult to presently fix and Client shall then pay WZI an amount equal to the annual compensation and benefits last received from WZI by the subject employee or independent contractor, which sum is a reasonable estimate of WZI's actual and foreseeable damages.
7. **DELAYS** • WZI shall not be responsible for damages or be in default or be deemed to be in default by reason of, delays in performance by reason of strikes, lockouts, accidents, Acts of God, and other delays unavoidable or beyond WZI's reasonable control, or due to shortages or unavailability of labor at established area wage rates or delays caused by failure of Client or Client's agents to furnish information or to approve or disapprove WZI's work promptly, or due to late or slow or faulty performance by Client, other contractors or governmental agencies, the performance of whose work is precedent to or concurrent with the performance of WZI's work.
8. **ATTORNEYS' FEES** • In any court action arising out of or relating to the Contract, each nonprevailing party shall pay each prevailing party's costs, expenses, and actual attorneys' fees incurred to prepare for, prosecute or defend and for appeal of, any such proceeding or action and to obtain collection on any such award or judgement. Said sums shall be included as part of any such award or judgement and are not subject to any arbitration or court fee schedule or guideline.
9. **GOVERNING LAW AND VENUE** • The Contract shall be governed by and construed according to the laws of the State of California. It is agreed WZI's performance is and shall be deemed to be in the County of Kern and this Contract was therein consummated. Any action or proceeding arising out of or relating to the Contract shall be commenced and maintained in Kern County and the parties hereto consent to personal jurisdiction and venue in said county and waive any right to have said matters heard elsewhere.
10. **SEVERABILITY** • If any of the terms hereof are determined to be invalid or unenforceable in whole or in part, such determination shall not have the effect of rendering any other terms invalid or unenforceable; and any partially invalid terms shall remain valid and enforceable to the fullest extent allowable by law.
11. **CONTRACT BINDING** • Client and WZI each binds itself, its partners, successors, executors, administrators, and assigns to the other in respect to all of the terms and conditions of this Contract.
12. **VALIDITY** • No conditions or representations altering, detracting from or adding to the terms hereof shall be valid unless printed or written hereon or evidenced in writing by either party to this Contract and accepted in writing by the other.
13. **GOVERNMENTAL AGENCIES** • WZI shall not be liable for damages resulting from the actions or inactions of governmental agencies, including, but not limited to, permit processing, environmental impact reports, dedications, general plans and amendments thereto, zoning matters, annexations or consolidations, use or conditional use permits and building permits; and WZI shall only act as an advisor in all governmental relations.
14. **CHANGES** • In the event any changes are made in the plans and/or specifications by Client or persons other than WZI, which affect WZI's work, any and all liability arising out of such changes is waived as against WZI, and Client assumes full responsibility for such changes unless Client has given WZI prior notice and has received from WZI written consent for such changes.
15. **USE OF PLANS OR DRAWINGS** • WZI is not responsible and liability is waived by Client as against WZI, for use by Client or any other person of any plans or drawings not signed by WZI.