



Environmental, Inc.

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February 13, 2014

Mr. Mike Kochan  
c/o Mr. Paul Beckwith  
CTBT Commercial  
555 12<sup>th</sup> Street, Suite 1400  
Oakland, CA 94607  
**BY EMAIL: pbeckwith@ctbt.com**

**Subject: Status of Property  
729 45<sup>th</sup> Avenue  
Oakland, California  
ERAS Project Number 13199**

Dear Mr. Kochan:

ERAS Environmental, Inc. (ERAS) sincerely thanks you for the opportunity to assist you on this site (hereinafter the "Property"). The purpose of this letter is to provide an informational status of the Property based on discussions with you, file review research, and inquiries regarding the State of California Underground Storage Tank Cleanup Fund and Alameda County Department of Environmental Health (ACDEH).

*Phase 1 Investigation*

A Phase 1 Environmental Site Assessment (ESA) was conducted by Tom Edwards & Associates (TEA) and the results were presented in a report dated August 27, 2013. TEA identified the following issues.

- The former use of the Property as an oil refining, storage and sales company from 1928-1964
- The possible former use of hazardous materials on the Property by United Freight Ways
- The possible former use of hazardous materials by Arrow Steel Company
- The former use of underground storage tanks on the Property by Equipment Fabrication Company (the current tenant). The USTs were removed in

approximately 1991. TEA indicated there were three USTs present in 1986, the two in use at that time were used to store gasoline and paint thinner

#### Soil and Groundwater Investigation

TEA performed a Phase 2 soil and groundwater investigation at the Property in October 2013. Six soil borings were drilled in the yard area and along the southeast edge of the Property. Soil samples were collected for laboratory analysis from all six borings, groundwater was only sampled from two of the borings.

High concentrations of petroleum hydrocarbons detected in soil sampled from boring EFC05 at 1.75 feet may be the result of surface runoff from the outside storage yard or next door topographically higher lumber storage yard.

A high concentration of zinc in the shallow soil sampled from boring EFC-04 could be the result of surface runoff from metals released by the galvanizing plant across the street from the Property. The sample was collected in a low spot adjacent to the Property.

Elevated concentrations of gasoline and diesel hydrocarbons in groundwater from borings EFC-04 and EFC-05, located down-gradient of the former USTs indicate leakage from the area of the former USTs. Concentrations of gasoline constituents in the samples indicate the leakage was likely gasoline. The maximum concentrations of gasoline hydrocarbons detected of 137,000 ug/L and diesel hydrocarbons of 105,000 ug/L are considerably above the cleanup standards of 500 and 110 ug/L for gasoline and diesel hydrocarbons.

**Based on the contamination found, this is a significantly contaminated site that would be a high priority for additional subsurface investigation and cleanup if it is opened as a leak case with the ACDEH.**

Note that TEA did not properly investigate the shallow soil in the area of the former aboveground storage tanks that were operated by Norwalk Oil Company and perhaps other operators from 1928-1964.

#### Regulatory Status and File Review Information

ERAS assisted the owner to attempt to determine eligibility for the State of California Underground Storage Tank Cleanup Fund for possible reimbursement of cleanup costs.

Because one of the criteria for eligibility is that the USTs are properly permitted, ERAS performed a file review to attempt to obtain records of the former USTs including permits, inspections by the Fire Department or listing of the USTs on hazardous materials business plans (HMBP).

On January 28, 2014 ERAS reviewed file information at the City of Oakland Fire Department. The only hazardous materials permit information was issued to the current tenant Equipment Fabricating Corporation dated in 2001. Inspections for the facility for hazardous materials were dated in 1999

and 2003. There were no records that were old enough to have listed or documented the proper permitting of the former USTs.

Information you provided from the ACEHD. A hazardous waste inspection report dated June 20, 1986 indicated the presence of three USTs, two of which were in use for gasoline and paint thinner dispensing. A certified letter dated September 25, 1989 requested that the USTs be removed or permit be applied for to operate the USTs. A receipt for \$855 dated July 31, 1991 appeared to be for payment for oversight for the UST removal/closure.

**It appears that the USTs were operated by the current owner of the Property from approximately 1972 until they were removed in 1991 without proper permits. It is extremely doubtful that this site would qualify for any reimbursement from the USTCF.**

#### Conclusions and Recommendations

Based on the Phase 1 and Phase 2 investigations in 2013 the Property appears to have had a significant leak from the former gasoline UST. The investigations were necessary for proper due diligence to protect current and future owners of the Property from legal liability.

The contamination in groundwater is at extremely high levels and the extent has not been defined. The owner of the Property per the California Code of Regulations is supposed to report the detection of contamination within 30 days to the appropriate government agency in this case the City of Oakland Fire Department Hazardous Materials Division.

Based on the operation of the USTs without proper permit documentation, the Property is unlikely to qualify for cleanup assistance from the Underground Storage Tank Cleanup Fund.

The following is what is likely to occur if the City of Oakland is notified of the contamination by submission of the TEA Phase 2 report.

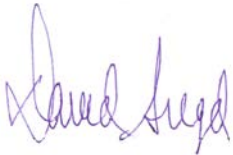
- The City will refer the case to the Alameda County Department of Environmental Health (ACDEH)
- The ACDEH will request a workplan to further define the extent of contamination in soil and groundwater (estimated cost of \$15,000)
- Based on the results of further investigation, additional investigation which will likely include the installation of groundwater monitoring wells will be required (estimated cost of \$50,000)
- If remediation is not required, a risk analysis will be required that may include soil gas sampling and indoor air sampling (estimated cost \$10,000)
- If remediation is not required, a case closure can be performed that would include the destruction of the groundwater monitoring wells

If remediation is required to reduce the concentrations of contaminants the estimate cost could range from \$50,000 to 500,000. It is estimated the time to conduct this process could range from approximately 1 year to 3 years or more.

It is possible that there could be an insurance claim that could be a source of financing for the investigation and cleanup. ERAS can refer you to an attorney that specializes in this type of legal action. The name of the insurance company that provided general liability coverage prior to the middle to late 1980's would be required. Ideally a copy of the policy could be provided.

ERAS hopes this provides the information you require. Please contact us if you have any questions.

Respectfully,  
ERAS Environmental, Inc

A handwritten signature in blue ink, appearing to read "David Siegel". The signature is fluid and cursive, with the first name "David" being more prominent than the last name "Siegel".

David Siegel  
Senior Program Manager