ICF KAISER ENGINEERS

ICF KAISER ENGINEERS INC
10 UNIVERSAL CITY PLAZA SUITE 2400
UNIVERSAL CITY, CA 91608-1097
818 509-3100

October 13, 1993

Mr. Greg Gilroy, District Manager
The RREEF Funds
1630 South Sunkist Street, Suite A
Anaheim, California 92806

SUBJECT: HISTORICAL CHEMICAL USE AUDIT AND ASSESSMENT FOR FORMER GRAHAM PRINTING AND LITHOGRAPH COMPANY SITE, 17475 EAST GALE AVENUE, CITY OF INDUSTRY, CALIFORNIA
ICF KE Project No. 41428

Dear Mr. Gilroy:

ICF Kaiser Engineers, Inc. has conducted a Historical Chemical Use Audit and Assessment for the former Graham Printing and Lithograph Company located at 17475 East Gale Avenue in City of Industry. This audit was based on a review of ATEC's March 26, 1993 Inventory of Waste Materials (under cover of April 2, 1993 correspondence), ATEC's April 15, 1993 report, and ATEC's July 1, 1993 Waste Disposal report as well as pertinent information provided by the following regulatory agencies: County of Los Angeles Fire Department - Hazardous Materials Division (LAFD-HMD), County of Los Angeles Fire Department - Underground Storage Tank Division (LAFD-UST), and South Coast Air Quality Management District (SCAQMD). Additionally, information obtained during the site walk conducted by ICF KE on August 10, 1993 was used to complement the information obtained from these sources.

According to ATEC's April 15, 1993 report, the site was developed in 1978. ATEC's report indicates that the only tenant on record was the Graham Printing & Lithograph Company (Graham Co.) and that the site has been vacant since late 1992. However, ATEC's report states that, according to the Los Angeles County Department of Building and Safety records, the initial occupancy date by Graham Co. is not recorded, although information contained in Building and Safety records indicates that such date was prior to 1985. ATEC reports that the Graham Co. was a small quantity generator of hazardous wastes. The wastes generated at the facility were identified as D001 wastes (i.e., non-listed, ignitable hazardous wastes). According to ATEC, the areas where chemicals were historically handled included the following: the chemical storage room, located in the northwestern part of the building; the printing press area, particularly in the vicinity of the printing press stands; two sinks that showed evidence of improper chemical disposal, located against the outside wall of the restrooms on the north side of the building; the fume hood area, located in the middle of the building along the partition with the south section; a small white stained area, located along the west wall of the south section of the building; the former compressor area; and the former drum storage area. ATEC indicated that approximately 225 full, partially full, or empty

containers with chemicals were still present at the site as of the date of the report. Three copies of ATEC's April 15, 1993 report, which is in draft form, will be provided to the Regional Water Quality Control Board (RWQCB) under separate cover. ICF KE, on RREEF's behalf, will request that the RWQCB handle the April 15, 1993 ATEC report as confidential.

ATEC's March 26, 1993 Inventory of Waste Materials at the Graham Co. facility represents the most current record of wastes and hazardous materials stored on site prior to removal of such materials in May 1993. A copy of the March 26, 1993 inventory is provided in Appendix A of this Historical Chemical Use Audit and Assessment. ATEC's July 1, 1993 Waste Disposal Report identifies field activities undertaken during removal of wastes and hazardous materials from the facility, types of waste and hazardous materials removed, and EPA identification numbers of transporters, disposal facilities, and recyclers. The Waste Disposal Report also includes copies of waste manifests. A copy of the July 1, 1993 ATEC Waste Disposal Report is provided in Appendix A of this Historical Chemical Use Audit and Assessment.

The Hazardous Materials Inventories for 17475 East Gale Avenue provided by the Los Angeles County Fire Department identify some or all of the hazardous materials inventoried and stored on site by Graham Co. during 1990 and 1991. Table 1 provides common names and hazardous chemical components of materials included in the Hazardous Materials Inventories. A copy of the Hazardous Materials Inventories is provided in Appendix B of this Historical Chemical Use Audit and Assessment. A copy of correspondence between ICF KE and LAFD-HMD regarding the file review is provided in Appendix C.

In addition to the LAFD-HMD, the LAFD-UST conducted a file search for information regarding underground storage tanks (USTs) at the 17475 East Gale Avenue site. No files or records were located by LAFD-UST pertaining to USTs at the site.

Review of the SCAQMD file for the Graham Co. facility provided information regarding the status of air permits for the facility as of May 27, 1993. Four expired and three inactive permits were listed for the facility. Three additional permit applications were listed. However, no permits have apparently been issued relative to the applications. An Air Toxics Inventory Plan (ATIP) was dated September 5, 1991 and was executed by Morris V. Deason. Six printing presses were noted in the ATIP, each with fugitive emissions. No stacks were associated with the presses. The description of the printing press process indicated that the presses used water based coatings containing ammonia and were cleaned with 1,1,1-Trichloroethane (1,1,1-TCA). Both ammonia and 1,1,1-TCA were emitted during the printing process. Emissions were estimated using a mass balance technique. Daily logs were maintained to track use of the presses. A copy of correspondence between ICF KE and SCAQMD regarding the file review is provided in Appendix C of this report.

Based on information obtained from Mr. Michael Cosentino of Grubb & Ellis, property

managers, during the site walk conducted by ICF KE on August 10, 1993, the building has had at least two additional tenants. Mr. Cosentino indicated that the building was originally occupied by Coleman Air Conditioning (Coleman), for an unknown number of years, prior to Graham Co.'s occupancy. Coleman operated a show room at the site. No additional information was available regarding the type of activities conducted by Coleman at the site. More recently, the south section of the building, previously occupied by Graham Co., was occupied by Han Ton Sock Co., a clothing importing business and wholesale distributor, who used the space as a warehouse. ICF KE requested information regarding the Coleman and Han Ton Sock Co. operations from Los Angeles County Fire Department - Hazardous Materials Division. According to the Fire Department, no registered hazardous material information regarding these two companies at the 17475 East Gale Avenue facility was located. A copy of correspondence between ICF KE and the Fire Department is provided in Appendix C of this report.

Please do not hesitate to contact me or Tom Watson at (818) 509-3100 with your comments or questions regarding this Audit and Assessment.

Yours Truly,
ICF Kaiser Engineers, Inc.

Alejandro Fernández

Alejandro Fernández
Senior Environmental Engineer

cc: Kim Richards, Esq. Latham & Watkins
Samuel Yu - RWQCB
Shahin Nourishad, L.A. County Fire Dept. - Health Hazardous Materials Div.
Angelo Bellomo - ICF KE
Thomas Watson - ICF KE

TABLE 1

COMMON NAME	HAZARDOUS CHEMICAL COMPONENTS
Glass Cleaner	2 Butoxy Ethanol Ethyl Alcohol Methyl Alcohol
Spray Adhesive	N-Hexane Cyclohexane Dimethyl Ether
Color Key Developer	Propyl Alcohol
Film Cleaner	Hexane Isopropyl Alcohol
Ultratec Photo (Litho) Developer	Tripotassium Phosphate Hydroquinone
Ultratec Photo (Litho) Fixer	Ammonium Thiosulfate Sodium Acetate Boric Acid
Kodak Aqua Image Negative Developer	Benzyl Alcohol
Kodak Polymatic Negative Developer	Butyrolactone Phenoxyethanol Phosphoric Acid
Kodak Plate Developer	Benzyl Alcohol
Kodak Polymatic Plate Preserver	Stoddard Solvent Phosphoric Acid Aluminum Nitrate
Kodak Polymatic Plate Finisher	Sodium Dihydrogen Phosphate Phosporic Acid Polyvinyl Pyrrolidone
Kodak Aqua Image Finisher MX 1485	(none listed)
Isopropanol 1160	Isopropyl Alcohol

TABLE 1 (continued)

COMMON NAME	HAZARDOUS CHEMICAL COMPONENTS
Blanket Wash LVC #1	1,1,1-Trichloroethane Aliphatic Petroleum Distillate
Super Kleen #2 Roller Wash	1,1,1-Trichloroethane Aliphatic Petroleum Distillate Sorbitan Monoleate
Super Kleen #1 Roller Wash	1,1,1-Trichloroethane Aliphatic Petroleum Distillate Aromatic Petroleum Distillate
Fountian Concentrate 2566 T	Ethylene Glycol 2-Butoxy Ethanol N-Methyl-2-Pyrrolidone
Alkless 2000 Alcohol Replacement	N-Methyl-2-Pyrrolidone Ethylene Glycol 2-Butoxy Ethanol
Aques Coating #V-326 (Water Base Coating)	Ammonia Diethylene Glycol Ethyl Ether Formaldehyde
Clairex GC-2099 (Water Base Coating)	Isopropanol Aqueous Ammonia Tributoxyethyl Phosphate
Silicone Spray	Trifluoroethane LPG Propellent
Hot Melt Adhesive	(none listed)
Glue/Adhesive	Vinyl Acetate Monomer Formaldehyde
Glue/Adhesive	1,1,1-Trichloroethane
Glue/Adhesive	(none listed)
Blair Adhesives	Plasticized Ethylene Vinyl Acetate

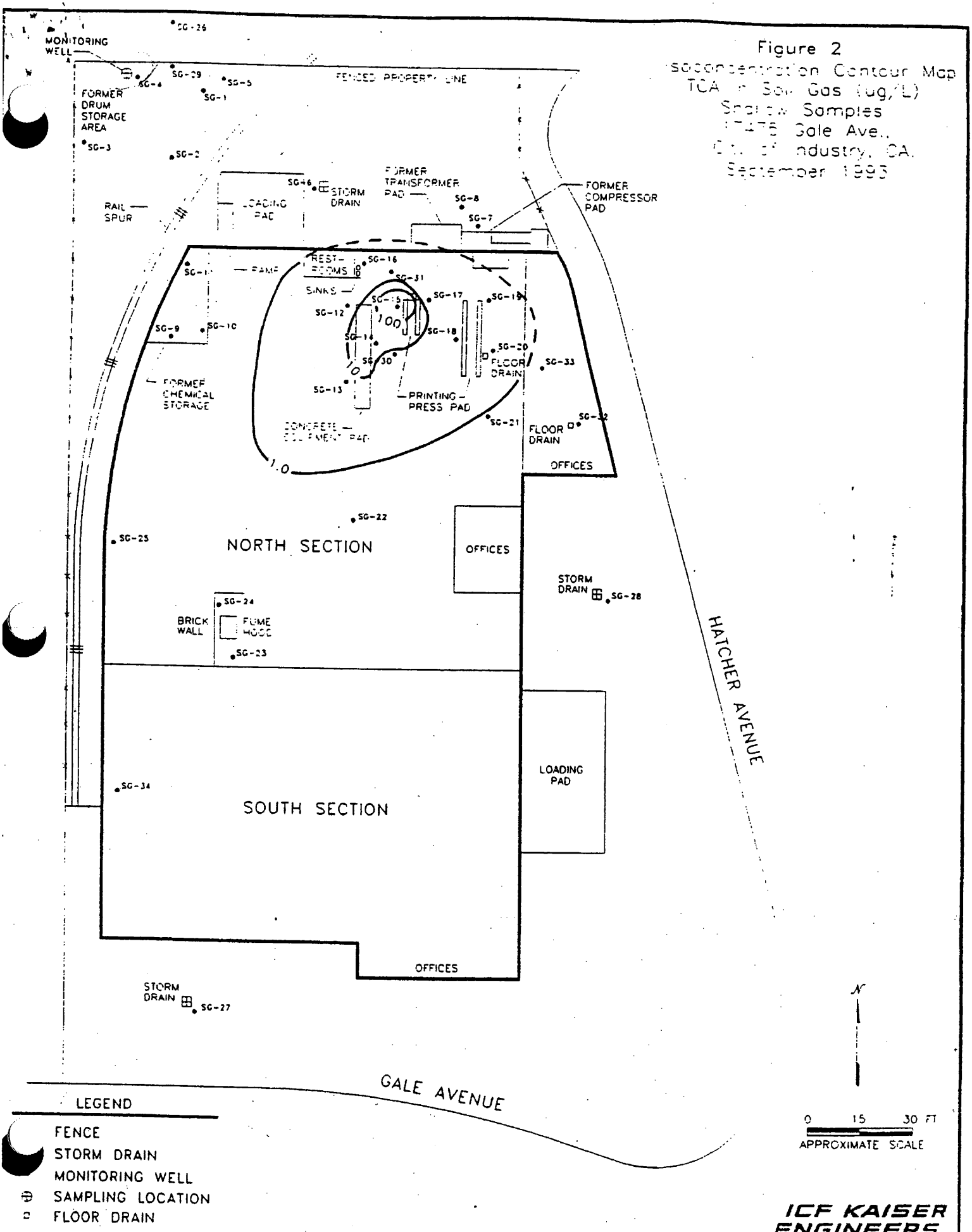

Figure 2
Soil Gas Concentration Contour Map
TCA in Soil Gas (ug/L)
Shallow Samples
[illegible] Gale Ave.,
City of Industry, CA.
September 1993

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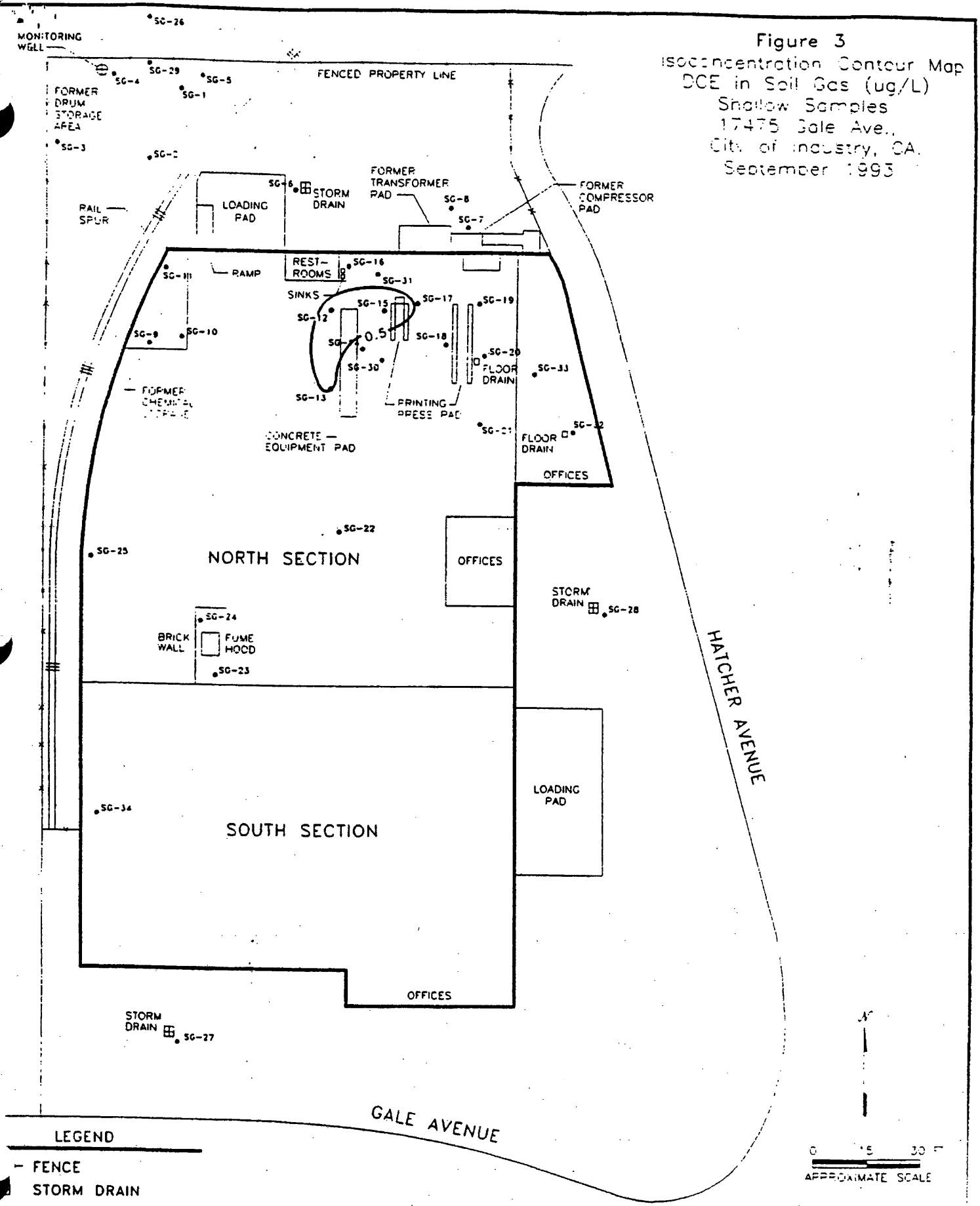
Figure 3
Isoconcentration Contour Map
DCE in Soil Gas (ug/L)
Shallow Samples
17475 Gale Ave.,
City of Industry, CA.
September 1993



LEGEND

- FENCE
- STORM DRAIN
- MONITORING WELL
- SAMPLING LOCATION
- FLOOR DRAIN

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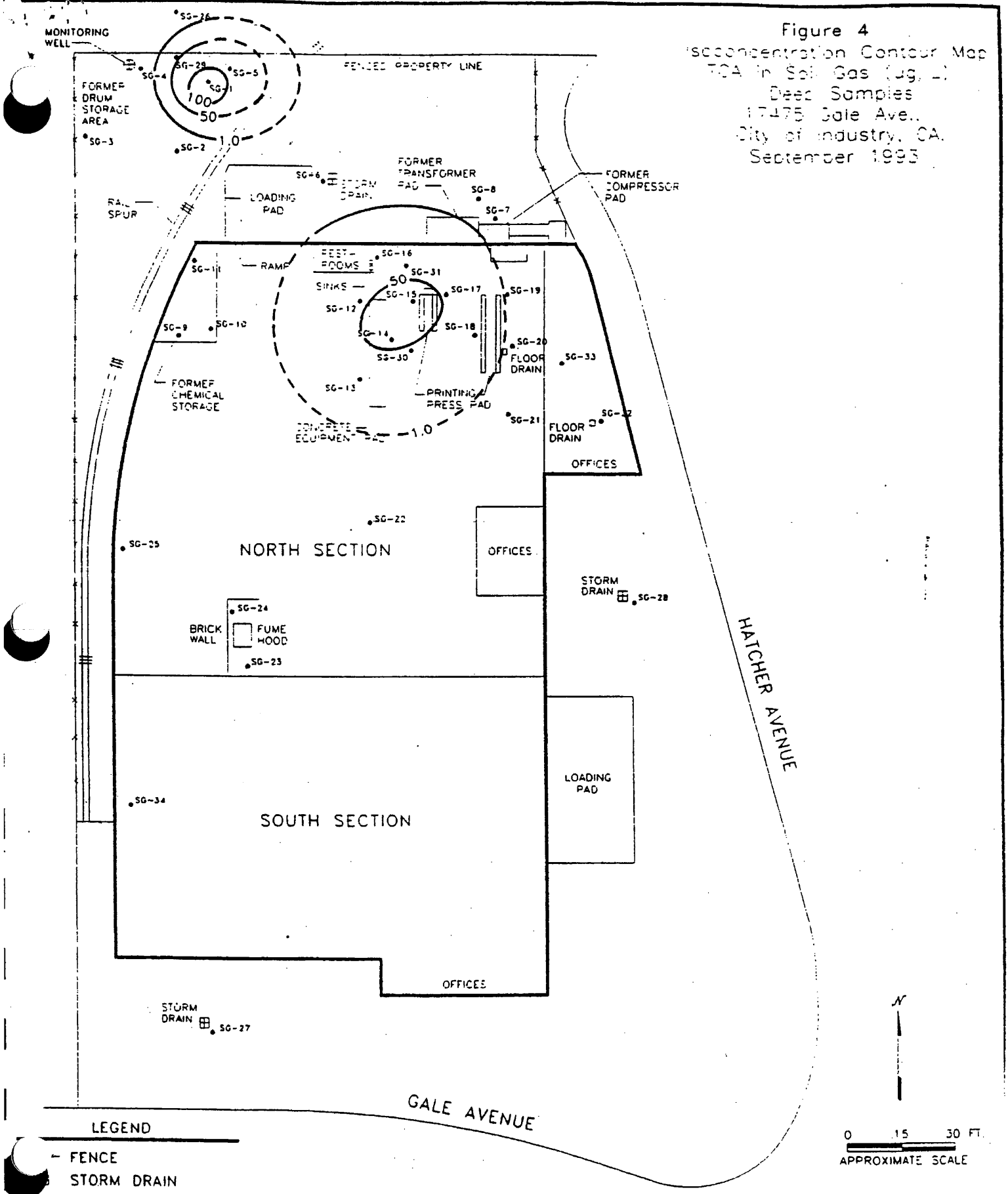
Figure 4
Isoconcentration Contour Map
TCA in Soil Gas (ug/L)
Deep Samples
17475 Gale Ave.,
City of Industry, CA.
September 1993



LEGEND

- FENCE
- STORM DRAIN
- MONITORING WELL
- SAMPLING LOCATION
- FLOOR DRAIN

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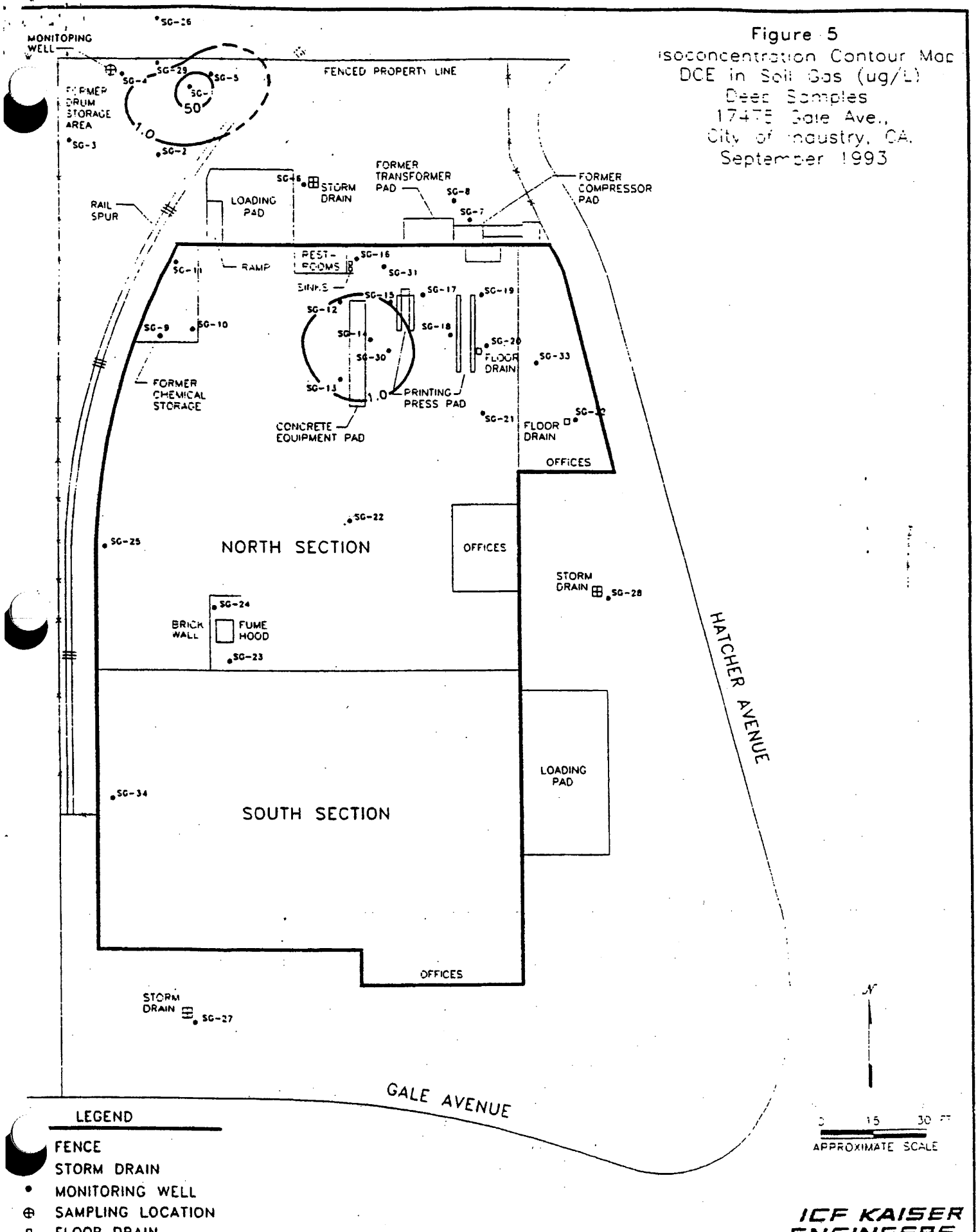


Figure 5
Isoconcentration Contour Map
DCE in Soil Gas (ug/L)
Deep Samples
17475 Gale Ave.,
City of Industry, CA.
September 1993
MONITOPING WELL
SG-26
SG-4
SG-29
SG-5
SG-
50
1.0
FENCED PROPERTY LINE
FORMER DRUM STORAGE AREA
SG-3
SG-2
SG-6
STORM DRAIN
FORMER TRANSFORMER PAD
SG-8
SG-7
FORMER COMPRESSOR PAD
RAIL SPUR
LOADING PAD
RAMP
REST-ROOMS
SG-16
SG-31
SINKS
SG-11
SG-13
SG-17
SG-19
SG-12
SG-18
SG-9
SG-10
SG-14
SG-20
FLOOR DRAIN
SG-33
SG-30
SG-15
1.0
PRINTING PRESS PAD
FORMER CHEMICAL STORAGE
SG-21
SG-32
CONCRETE EQUIPMENT PAD
FLOOR DRAIN
OFFICES
SG-22
SG-25
NORTH SECTION
OFFICES
STORM DRAIN
SG-28
SG-24
BRICK WALL
FUME HOOD
SG-23
HATCHER AVENUE
LOADING PAD
SG-34
SOUTH SECTION
OFFICES
STORM DRAIN
SG-27
GALE AVENUE
N
LEGEND
FENCE
STORM DRAIN
MONITORING WELL
SAMPLING LOCATION
FLOOR DRAIN
0
15
30 FT
APPROXIMATE SCALE
ICF KAISER ENGINEERS

COUNTY OF LOS ANGELES

FIRE DEPARTMENT

1320 NORTH EASTERN AVENUE
LOS ANGELES, CALIFORNIA 90063-3294

Refer reply to:
HEALTH HAZARDOUS MATERIALS
5825 Rickenbacker Rd
Commerce CA 90040

P. MICHAEL FREEMAN
FIRE CHIEF
FORESTER & FIRE WARDEN

July 14, 1994

Greg Gilroy, District Manager
The RREEF Funds
1630 South Sunkist Street, Suite A
Anaheim, CA 92806

Dear Mr. Gilroy:

SUBJECT: SITE CLOSURE - FORMER GRAHAM PRINTING AND LITHOGRAPH COMPANY, 17475 GALE AVENUE, CITY OF INDUSTRY CA 91748

This Department has completed a review of the "Report of Remediation of the TPH Effected Soil and Quarterly Groundwater Monitoring", dated June 10, 1994, submitted by your consultant, ICF Kaiser for the above subject location.

Based on information provided in the report, we concur with your consultant that the known site contamination has been satisfactorily mitigated for the current use. This Department has no further requirement or restriction relating to this site at this time. Continued monitoring and/or abandonment of the monitoring well at the subject site will remain under jurisdiction of the Los Angeles Regional Water Quality Control Board.

This letter, however, does not relieve you of any liability under the California Health and Safety Code, the State Water Code, or other applicable laws and regulations for past, present or future operations at this site. Nor does it relieve you of responsibility for any additional or unidentified conditions at the site which could threaten public health or the environment.

If you have any questions, please feel free to call Shahin Nourishad at (213) 890-4119.

Very truly yours,

THOMAS W. KLINGER, SUPERVISOR
SITE MITIGATION UNIT
HEALTH HAZARDOUS MATERIALS DIVISION

TK:sa

c: R. Kaumayer
Regional Water Quality Control Board
101 Centre Plaza Drive
Monterey Park, CA 91754

T. Watson
ICF Kaiser
10 Universal City Plaza, Suite 2400
Universal City, CA 91608-1097

STATE OF CALIFORNIA—ENVIRONMENTAL PROTECTION AGENCY

PETE WILSON, Gover

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD
LOS ANGELES REGION
101 CENTRE PLAZA DRIVE
MONTEREY PARK, CA 91754-2156
(213) 266-7500
FAX: (213) 266-7600

January 31, 1995

FEB

Greg Gilroy, District Manager
The RREEF Funds
1630 South Sunkist Street, Suite A
Anaheim, CA 92806

WELL INVESTIGATION PROGRAM - NO FURTHER ACTION, GRAHAM PRINTING COMPANY, 17475 GALE AVE., CITY OF INDUSTRY (FILE NO. 105.0113)

We are in receipt of the "Report of Quarterly Groundwater Monitoring at the Former Graham Printing and Lithograph Facility ...", dated September 26, 1994, prepared by your consultant, ICF KAISER. This report presents a site summary and the results of the latest ground water sampling and analysis from the single monitoring well on the property. As discussed during a recent telephone conversation with your consultant, you wish to receive a final "no further action" letter from Board staff regarding WIP requirements at the subject site. Upon reviewing the subject report and other information contained in our file for the site, we have the following comments:

1. As detailed in our previous "No Further Action" letter, dated February 16, 1994, several phases of soil matrix and soil vapor sampling and analysis, and installation of one ground water monitoring well, have been performed under oversight of Board staff at the subject site since 1988. The results of these investigations have identified substantial TPH, and less VOC, soil contamination. The conclusion of this letter was that remediation of TPH soil contamination and additional ground water monitoring was required.

2. As noted in the subject report, a total of 0.75 cubic yards of TPH contaminated soil was excavated and hauled from the site in May 1994. Confirmation sample analyses were ND for VOCs. Los Angeles County Fire Department, the lead agency for soil remediation, issued a "no further action" letter dated July 14, 1994, for the site.

3. Concentrations of VOCs in ground water samples of six sampling events from the single near field downgradient monitoring well ranged from ND to 21 µg/l 1,1,1-TCA, ND to 120 µg/l 1,1-DCE and ND to 17 µg/l 1,1,1,2-TCA. The results of the last two ground water monitoring events (5-3-94 and 8-5-94) since soil remediation were ND and 1.0 µg/l 1,1,1-TCA, ND for 1,1-DCE and 17 µg/l and ND 1,1,1,2 TCA, respectively.

4. The predominantly clayey soil in the vadose zone beneath this site may have affected the results of the various phases of

assessment at the subject site. The data are in many cases contradictory, however, by compiling the soil vapor and soil matrix data, it is possible to establish a distribution of VOC contamination from ground surface to the water table (at approximately 32' bgs) in the hazardous waste storage and printing press areas. For instance, in the printing press area, 1,1,1-TCA was detected at soil gas concentrations of 164 µg/l at 5' bgs, 76 µg/l at 12' bgs and 56 µg/l at 20' bgs. In the hazardous waste storage area, 1,1,1-TCA was detected at concentrations of 198 µg/l (soil vapor) at 7' bgs, 50 µg/kg (soil matrix) at 10' bgs, 23 µg/kg (soil matrix) at 20' bgs and 5 µg/kg (soil matrix) at 30' bgs. Concentrations of 1,1-DCE were detected in soil matrix samples in the hazardous waste storage area at levels of 16 µg/kg at 15' bgs, 44 µg/kg at 20' bgs and 11 µg/kg at 30' bgs.

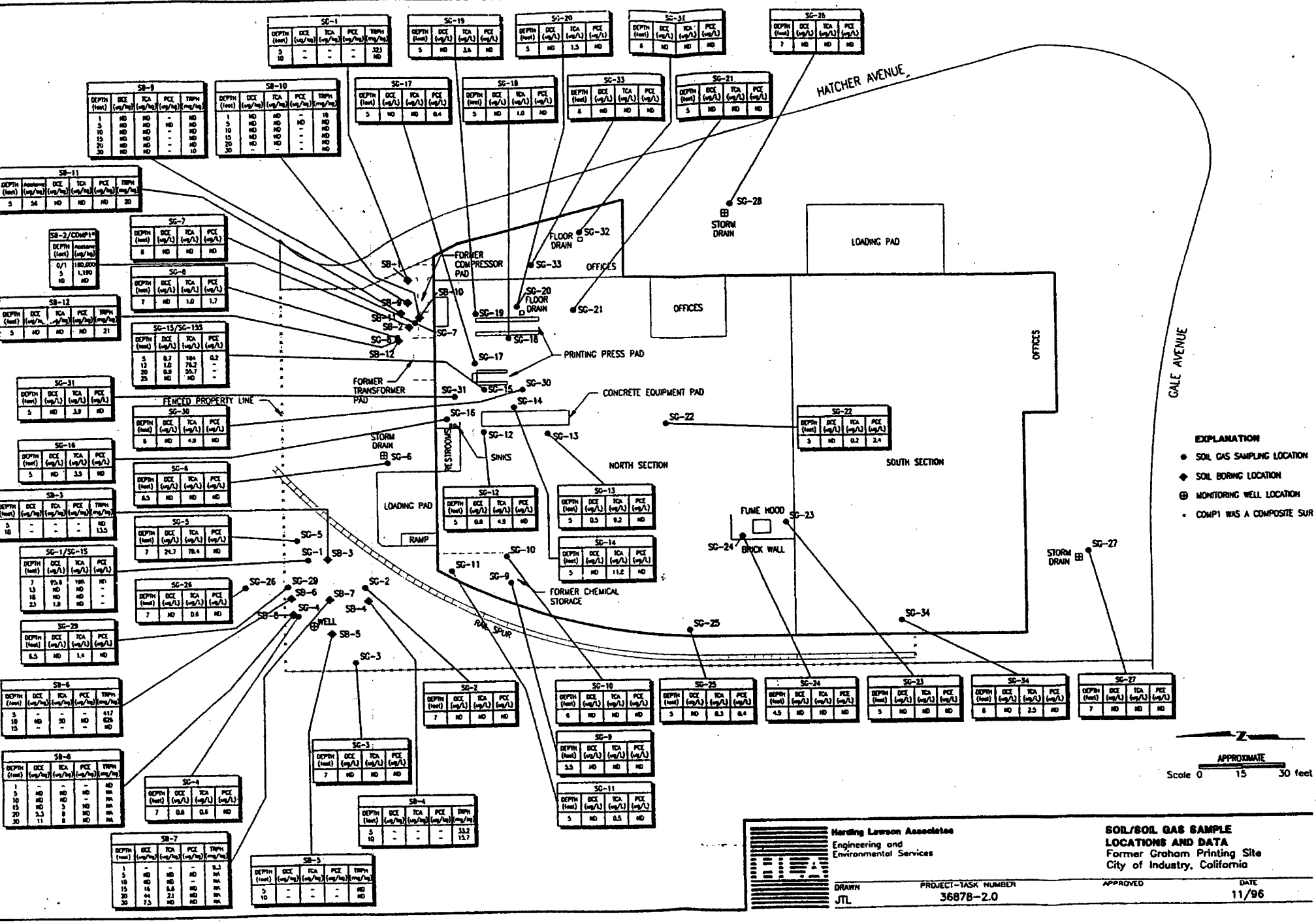
The results of the soil remediation and ground water monitoring complete our requirements for assessment and remediation at the subject site and, therefore, we have no further requirements regarding the Well Investigation Program.

The jurisdictional requirements of other agencies, such as the U.S. Environmental Protection Agency)USEPA), are not affected by the Board's "no further action" determination. Such agencies may choose to make their own determination concerning the site.

If you have any questions, please contact the undersigned at (213)266-7531.

ERIC NUPEN, R.G.
Senior Engineering Geologist

cc: Phillip Ramsey, U.S. EPA, Region IX, San Francisco
Dennis Dickerson, Cal-EPA, DTSC, Region 3
Carol Williams, San Gabriel Valley Watermaster



Harding Lawson Associates
Engineering and Environmental Services

SOIL/SOIL GAS SAMPLE LOCATIONS AND DATA
Former Graham Printing Site
City of Industry, California

DRAWN	PROJECT-TASK NUMBER	APPROVED	DATE
JTL	36878-2.0		11/96

(M. Hoye)

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION IX
75 Hawthorne Street
San Francisco, CA 94105-3901

June 27, 2000

PRIVILEGED SETTLEMENT COMMUNICATION
PREPARED FOR SETTLEMENT DISCUSSIONS UNDER FEDERAL RULE OF EVIDENCE 408

Small Contributor Settlement Candidates (Attachment 3)
Robert M. Walter, Chairman, Puente Valley Steering Committee
Puente Valley Operable Unit Potentially Responsible Parties

Re: **Proposed Early Settlement Offer for Small Parties and Opportunity to Provide for Additional Information**
Puente Valley Operable Unit, San Gabriel Valley Superfund Site, Area 4

Dear Puente Valley Operable Unit PRPs:

As you know from recent correspondence, the U.S. Environmental Protection Agency ("EPA") has identified 26 potentially responsible parties ("PRPs"), associated with 20 properties, that are relatively small sources of contamination for the Puente Valley Operable Unit of the San Gabriel Valley Superfund Sites ("Site").[1] Pursuant to Section 122 of the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA" or "Superfund"), 42 U.S.C. § 9622, EPA is proposing to settle with 24 of the small contributor PRPs for $1,680,000. This letter explains the basis for the settlement offer and grants interested persons until July 14, 2000 to provide EPA with any new information that the Agency should consider before making the offer. After we have received and considered any new information, we expect to make a settlement offer to the small contributors.

BASIS FOR SETTLEMENT OFFER

The criteria that EPA used to identify the small contributors were described in an attachment to a November 29, 1999 EPA letter, reprinted as Attachment 1 to this letter. The amount of the proposed settlement offer is based on EPA's estimate of the total CERCLA response costs for the Site and an estimate of the small contributors' share of the contamination. EPA understands that two of the small party contributors, RREEF West-IV Inc. and the Dexter Corp., have negotiated settlements with a subgroup of the Puente Valley Steering Committee ("PVSC"). EPA has therefore not included RREEF and Dexter in the small contributor allocation and the settlement proposal described below.

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[1] EPA's June 1, 2000 letter to the newly identified settlement candidates incorrectly referred to 21 small contributor properties.

EPA estimates total response costs for the Site at $56 million. This total includes a present value estimate of $31.5 million for construction and operation of the remedial action, approximately $12.3 million for EPA's past costs, and $8.1 million for pasts costs incurred by PRPs at the Site. PRP costs associated with facility-specific investigations and remediations conducted under the purview of the Regional Water Quality Control Board are not included in this cost estimate. Attachment 2 provides a more detailed description of this cost estimate.

EPA has assigned a 1% collective share to the small contributors. This share is derived from an analysis of contaminant concentrations in groundwater at all PRP facilities. For each facility at the Site, EPA utilized the data from the groundwater well most directly downgradient from the primary known or suspected source(s) of contamination. For the eleven contaminants found in significant concentrations at the Site[2], EPA normalized the data so that it was expressed as multiples of the relevant cleanup standard (the state or federal Maximum Contaminant Level or "MCL"). EPA averaged the concentrations for each contaminant at each facility. EPA then summed the data for all facilities and calculated the share of the contamination attributable to the small contributors' facilities.

Next, EPA added a 200% premium to the total cost estimate to reflect the uncertainties inherent in determining the share for the small contributors and estimating the future remediation costs. The premium is necessary because EPA and the non-settling PRPs will assume the risks that the allocation underestimated the small contributors' share, and that additional work will be necessary and/or future response costs will be higher than currently estimated. By entering into this settlement, the small contributors avoid the transaction costs of participating in the Site-wide allocation and implementating the remedial action, avoid potential litigation, and obtain a measure of finality on this matter that is not available to the other PRPs.

Applying the 1% share to the estimated response costs, and using a premium of 200%, produces a settlement amount of $1,680,000. EPA is proposing to settle with the 24 small contributors for $1,680,000. The settlement would include a covenant not to sue from EPA, subject to a statutory reopener for unknown conditions (42 U.S.C. § 9622(f)(6)), and contribution protection for all response costs incurred in connection with the past investigation and remediation of the Site, all future activities specified in the 1998 Record of Decision ("ROD") for the Site, and for the Puente Valley Operable Unit's share of the San Gabriel Valley basinwide response costs. The settlement would not provide a covenant not to sue or contribution protection for any future Superfund actions not contemplated by the 1998 ROD, nor would it address potential liability for facility investigations and remediations directed by the California Regional Water Quality Control Board.

[2] The eleven contaminants that EPA evaluated are: PCE, TCE, 1,1,1-TCA, 1,1-DCA, 1,2-DCA, 1,1-DCE, cis 1,2-DCE, trans 1,2 DCE, TFM, vinyl chloride and carbon tetrachloride.

As stated in our June 1, 2000 letter to the small contributors, EPA is proposing a collective settlement offer. EPA reserves the right to enter into separate settlements with some of the small contributors if circumstances make separate settlements more attractive. EPA also understands that the Puente Valley Steering Committee may make a competing offer to the small contributors. EPA would support such an offer if it includes adequate protections for the small contributors.

The settlement proposed in this letter is subject to approval from high level officials at EPA and the U.S. Department of Justice and is subject to the execution of a consent decree that will contain additional material terms. The consent decree will not become final until it is approved by the U.S. District Court.

COMMENTS ON PROPOSED OFFER

Over the past year, various Puente Valley PRPs have submitted a substantial amount of information regarding the scope of the proposed settlement and the inclusion of certain PRPs. EPA has considered this information in developing this settlement offer and identifying the small contributors. EPA is granting interested persons until July 14, 2000 to submit any additional information that EPA should consider before making the settlement offer. This opportunity for comment is not required by applicable law or regulations. EPA therefore does not anticipate preparing a written evaluation of any information that it receives. EPA will consider any information that is submitted and, if appropriate, modify or withdraw the proposed settlement offer. If EPA determines that a small contributor settlement is still warranted, the Agency will extend a settlement offer.

Sincerely,

Penelope McDaniel
Remedial Project Manager

Enclosures

cc: Jacqualine Spiszman, California Department of Toxic Substances Control
Ann Rushton, California Department of Justice
Arthur Heath, California Regional Water Quality Control Board - Los Angeles
Carl Burnett, Industry-Urban Development Agency

ATTACHMENT 1

EPA's Process for Selecting PRPs for Early Settlement Offers
(November 1999)

Goal: EPA intends to make early settlement offers to those PRPs that contributed comparatively little to the groundwater contamination in the Puente Valley Operable Unit ("PVOU"). Without the opportunity for early settlement, these PRPs would continue to bear transaction costs that are significantly out of proportion to their fair allocated share of liability.

Scope of Settlements: The early settlements will provide a covenant not-to-sue and contribution protection for all liabilities associated with the development and implementation of the interim response action selected by the 1998 Interim Record of Decision ("ROD") for the PVOU, as well as basin wide response costs apportioned to the PVOU.

Selection Method: EPA has evaluated information pertaining to all PRPs in the PVOU to identify those that will receive early settlement offers. For each early settlement candidate, EPA took into consideration the following information to determine whether the candidate's facility was a relatively small source of groundwater contamination:

1) Evidence regarding facility operations, solvent usage, releases, and handling of hazardous materials;

2) Soil matrix, soil gas, and groundwater sampling data in combination with information regarding the local groundwater gradients;

3) Evidence of soil and groundwater contaminant migration from off-site sources onto the facility;

4) Evidence of contaminant migration from the facility to off-site sampling locations;

5) The effectiveness of any facility-specific remediation in reducing the threat posed to the regional groundwater.

EPA conferred with the Los Angeles Regional Water Quality Control Board ("RWQCB") to verify the candidates' compliance with all facility-specific investigations and cleanup actions requirements. To receive an early settlement offer, a PRP must have completed, or be on schedule to complete, all facility-specific work required by the RWQCB. In addition, EPA is not proposing early settlements for any PRP that received a special notice letter for RI/FS in 1993 but failed to sign the Administrative Order on Consent.

From a review of this information, EPA identified 14 PRPs whose facilities contributed relatively small amounts of contamination to the groundwater and who are in compliance with state and federal investigation and cleanup requirements for their facilities.

Selection Criteria: EPA has used the criteria set forth below to identify the early settlement candidates. EPA applied these criteria in a conservative manner. For example, the impact of a facility's releases on groundwater was generally judged by its peak observed contaminant concentrations and uncertainties or gaps in the data were generally construed against candidate PRPs.

(1) Based on a review of the available evidence, EPA has determined that contamination released from the facility has reached, or is expected to reach groundwater at concentrations above ARARs. (EPA is not planning to issue special notice letters to parties that are responsible for soil contamination that has not, and is not expected to, impact groundwater.)

(2) Based on a review of the available evidence, EPA has determined that the amount of contamination released from the facility to the groundwater is small in comparison to the amount of contamination released to the groundwater by most of the facilities that were not identified for early settlement offers.

(a) For purposes of this evaluation, "contamination" refers to the hazardous substances listed in the 1998 Interim ROD.

(b) For purposes of this evaluation, EPA has evaluated the severity of groundwater contamination by measuring contaminant concentrations as multiples of contaminant ARARs. For example, 50 parts per billion (ppb) of PCE would be evaluated as 10 x ARAR; 50 ppb of 1,1,1-TCA would be evaluated as 0.25 x ARAR.

(3) Where relevant, EPA considered the migration of off-site contamination into a facility's groundwater and soil. In those cases where EPA could reasonably evaluate the impact of the off-site contamination on a facility's sampling data, or where any uncertainty regarding the impact of the off-site contamination did not materially affect EPA's evaluation (e.g., total contaminant concentrations are low), EPA considered the PRP for an early settlement offer.

(4) EPA does not propose to settle with PRPs in cases where sampling data is too limited or too ambiguous to support a determination that the facility is a relatively small source of contamination. EPA has decided to leave the more complex and difficult cases for the PVSC's allocation process. This decision does not reflect a determination by EPA that every PRP that did not qualify for a early settlement is necessarily a more significant source of contamination than those PRPs that did qualify.

(5) EPA considered data for all contaminants that appear to have originated from the facility. EPA excluded from further consideration those PRPs with concentrations in groundwater in excess of 50 x ARARs for any contaminant, except where there is substantial evidence indicating that contamination from off-site sources has likely caused groundwater concentrations to exceed the 50 x ARARs threshold. EPA considered this information in context with soil matrix and soil gas and site-specific contamination data to identify instances where groundwater data may under- or over-represent the impact of a facility's releases on groundwater.

(6) EPA does not consider the location of a PRP facility within the PVOU to be relevant for the purpose of early settlement offers. Every facility that contributed to groundwater contamination within the PVOU is a source, or potential future source, to the regional groundwater contamination problem, which will be addressed through the implementation of a regional remedy. The RWQCB has limited its remediation requirements for facilities within the PVOU because of the anticipated regional remedy.

(7) PRP determinations are based on the available evidence. EPA recognizes that subsurface sampling only provides selected "snapshots" of the extent of contamination at specific times and places. However, EPA did not attempt to estimate contaminant mass or contaminant concentrations at unobserved times and locations. EPA believes it would be more speculative to make assumptions about unobserved conditions and further believes that most plausible assumptions would not have a material effect on this evaluation process because candidates were identified through a comparative analysis of all PRPs.

ATTACHMENT 2

Puente Valley Operable Unit Costs	(in millions)
OU-specific Past Costs thru 12/99	= 6.42
25% Basinwide cost share thru 4/99	= 6.19
Billed oversight costs (excluding interest for late payment)	= 1.00
PVSC RI/FS Costs[1]	= 6.00
PVSC pre-RD Costs[1]	= 1.00
Small Contributor payments towards RI/FS and pre-RD Costs	= (0.90)
Rathon / GOE UAO Costs (including oversight costs)	= 1.00
CA DHS permitting	= 0.50
Remedial Action (present value, 30 year operating period)	= 31.50
Future Oversight Costs (present value)	= 3.50
Credit for anticipated Bureau of Reclamation funding[2]	= (0.26)
Total Costs (rounded)	**= $56 million**

[1] Unverified estimates based on information provided by the PVSC.
[2] Assumes that the City of Industry secures funding from pending request; does not account for City's anticipated request for $4 - 4.5 million in additional funding.

ATTACHMENT 3

Puente Valley Operable Unit Early Settlement Candidates

1. **Bentley Mills, Inc.** 14641 East Don Julian Road, City of Industry

   Philip Wexler
   President
   Bentley Mills, Inc.
   14641 East Don Julian Road
   Industry, California 91747

2. **Bestool Industries, Inc.** 18233 East Railroad Street, City of Industry

   Preston R. Lee
   President
   Bestool Industries
   1199 South Fullerton Road
   Industry, California 91748

3. **Comac Ramser Properties / Turner Development Corp.** 18525 Railroad Street, City of Industry

   Philip S. Ramser
   President
   Comac Ramser Properties
   485 East 17th Street, Suite 300
   Costa Mesa, California 92627-4719

   Rusty Turner
   President
   Turner Development Corp.
   1200 Quail Street, Suite 160
   Newport Beach, California 92660

4. **Commerce Chemical Co. / L.S. Gray Trust** 233 South Seventh Street, City of Industry

   G. Christian Roux, Esq.
   Weston, Benshoof, Rochefort, Rubalcava & MacCuish
   444 South Flower Street
   Los Angeles, California 90071

5. **Creftcon Industries** 900 South Ajax Avenue, City of Industry

   Michael A. Francis, Esq.
   Demetriou, Del Guercio, Springer & Moyer
   801 South Grand Avenue
   Los Angeles, California 90017-4613

Attachment 3 - Puente Valley Operable Unit Early Settlement Candidates (Cont.)

6. **Dexter Corporation** 15051 East Don Julian Road, City of Industry

John F. Cermak, Jr., Esq.
Richard Nessary, Esq.
Rodi, Pollock, Pettker, Galbraith & Cahill
801 So. Grand Ave., Suite 400
Los Angeles, CA 90017-4613

7. **Environmental Lighting for Architecture** 17891 Ateuth Avenue, City of Industry

Patrick McGee
Product Division Director
Environmental Lighting for Architecture
17891 Ateuth Avenue
City of Industry, CA 91748

8. **E.W. Smith Chemical Co.** 15020 East Proctor Avenue, City of Industry

Robert D. Cartwright
President
E.W. Smith Chemical Co.
4738 Murrietta Street
Chino, California 91710

9. **Exide Corporation** 415 South Seventh Avenue, City of Industry

Matthew A. Love
Manager, Regulatory Affairs
Exide Corporation
645 Penn Street
Reading, Pennsylvania 19601

Copy to: Ari D. Levine, Esq.
Assistant General Counsel
Exide Corporation
645 Penn Street
Reading, Pennsylvania 19601

10. **GNB Batteries Inc.** 14500 East Nelson Avenue, City of Industry

Patrick W. Dennis, Esq.
Gibson, Dunn & Crutcher
333 South Grand Ave.
Los Angeles, CA 90071-3197

11. **Hydrotech Chemical Corp. / Oltman Investment Co. / Hannah Co. / Maloney Investment Co.** 18400 East Mohr Avenue, City of Industry

Jane M. Nowotny, Esq.
O'Melveny & Myers
400 South Hope Street
Los Angeles, California 90071-2899

Attachment 3 - Puente Valley Operable Unit Early Settlement Candidates (Cont.)

12. **Jensen-Kelley Corp. / General Investments Co.** 15268 Proctor Avenue, City of Industry

Joseph G. Hornsy, Esq.
Steve M. Zaller, Esq.
Zevnik Horton Guibord McGovern Palmer & Fognani
77 West Wacker Dr., Suite 3300
Chicago, Ill 60601
(for Jensen-Kelley)

Gary L. Justice, Esq.
Gibson, Dunn & Crutcher
333 South Grand Ave.
Los Angeles, CA 90071-3197
(for General Investments)

13. **Lear Siegler Diversified Holdings Corp.** 16960 Gale Avenue, City of Industry

James F. Mathews
President and General Counsel
Lear Siegler Diversified Holdings Corp.
469 Morris Avenue
Summit, New Jersey 07901

14. **Macklanburg-Duncan Co. of California, Inc.** 15257 East Proctor Avenue, City of Industry

Connie M. Bryan, Esq.
McKinney & Stringer
101 North Broadway, Suite 800
Oklahoma City, OK 73102-8493

15. **Maxim Lighting International, Inc.** 299 Hatcher Avenue, City of Industry

Jacob Sperling
President
Maxim Lighting International, Inc.
13280 Amar Road
Industry, California 91746

→ 16. **RREEF West-IV, Inc.** 17475 Gale Avenue, City of Industry

Gene A. Lucero, Esq.
Maria P. Hoyc, Esq.
Latham & Watkins
633 W. Fifth St., Suite 4000
Los Angeles, CA 90071

17. **Textron, Inc.** 16961 East Gale Avenue, City of Industry

Peter Simshauser, Esq.
Skadden, Arps, Slate, Meagher & Flom
300 South Grand Avenue
Los Angeles, CA 90071

Attachment 3 - Puente Valley Operable Unit Early Settlement Candidates (Cont.)

18. **Trio Metal Stamping** 15318 East Proctor Avenue, City of Industry

Todd O. Maiden, Esq.
Seyfarth, Shaw, Fairweather & Geraldson
101 California St., Suite 2900
San Francisco, CA 94111

19. **Tropicana Products, Inc.** 14380 Nelson Avenue, City of Industry

Mark Nations
Tropicana Products, Inc.
14380 Nelson Avenue
Industry, California 91744-3430

20. **Yort, Inc.** 14525 Clark Avenue, City of Industry

John R. Zebrowski, Esq.
Hughes Hubbard & Reed
350 South Grand Avenue, Suite 3600
Los Angeles, California 90071-3442