

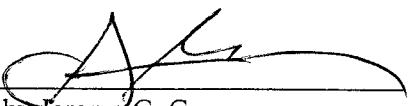


City of Carson Report to Mayor and City Council

February 16, 2010
New Business Consent

**SUBJECT: CONSIDER AN UPDATE ON THE ENVIRONMENTAL INVESTIGATION OF THE
CAROUSEL TRACT (FORMER KAST PROPERTY SITE)**


Submitted by Clifford W. Graves
Economic Development General Manager


Approved by Jerome G. Grooms
City Manager

I. SUMMARY

This report provides an update related to the activities associated with the environmental investigation of the Carousel Tract (formerly known as the Kast Property Tank Farm) and the Wilmington Middle School. The Regional Water Quality Control Board (Regional Board) is the lead agency overseeing Shell Oil Company (Shell) in the environmental investigation of the Carousel Tract. The Regional Board has initiated the environmental investigation as a result of potentially significant and harmful contamination in the soils and groundwater underlying the Carousel Tract. Other participating agencies include the California Department of Toxic Substances Control, Los Angeles County Department of Public Health, Los Angeles County Fire Department, Office of Environmental Health Hazard Assessment (OEHHA), Los Angeles Unified School District (LAUSD) and Los Angeles County Supervisor Mark Ridley Thomas.

II. RECOMMENDATION

RECEIVE and FILE.

III. ALTERNATIVES

TAKE another action the City Council deems appropriate.

IV. BACKGROUND

From the early-1920s to the mid-1960s, the site was owned and operated by Shell as primarily a crude oil storage facility. The facility included equipment to pump the oil to the nearby Shell refinery for processing from three concrete-lined oil storage reservoirs with a total capacity of 3.5 million barrels. In the mid-1960s the property was closed and sold by Shell. Subsequently, the property was developed into the Carousel neighborhood, containing 285 homes.

In March 2008, the California Department of Toxic Substances Control advised the Regional Board that petroleum hydrocarbons -notably benzene- had been found in the soil and groundwater underneath the Turco facility. Because the Turco facility did not have a history of using significant amounts of petroleum hydrocarbons, on May 8, 2008 the Regional Board directed Shell to investigate the possibility that there was contamination left by the former Kast Property Tank

13.

Farm (KPTF) and that this contamination had migrated underground to the adjacent property. Tests are now being conducted across the KPTF site to determine the extent, potential chemicals of concern and amount of any contamination from former operations. Field work is being performed by URS and other contractors retained by Shell but approved and monitored by the Regional Board.

Testing of Homes

The Regional Board has started receiving reports on some of the residential testing. The initial tests indicate that some residents should minimize contact with shallow soil (i.e. gardening, playing). The soil vapors do not appear to be at levels that would trigger vapor intrusion issues into the homes, however further testing directly inside the homes has been initiated. Only two homes so far have met screening requirements establishing the need for indoor air sampling. One home has been tested. Additional homes will likely be recommended for future indoor air sampling.

The Regional Board will receive reports of the additional testing done within the streets at the KPTF site on February 15, 2010, including sub-slab soil vapor samples from approximately 41 residences and additional soil vapor samples from the KPTF property streets where high concentrations of methane and benzene were previously detected. Fifty-six (56) residences in the Carousel neighborhood have been tested for methane. No hazardous levels of methane have been found to date.

On January 27, 2010, Shell and the law firm of Girardi and Keese participated in a mandatory status conference with the Superior Court. At that time, Shell submitted a plan for 36 homes represented by Girardi and Keese to undergo environmental testing. The Judge encouraged Girardi and Keese to facilitate access to their clients' homes and scheduled another conference on February 18, 2010 for both sides to demonstrate progress. A copy of the court order related to the status conference is attached (Exhibit No. 1). At this time, only 19% of the properties in the Carousel Tract have allowed testing. These tests have not provided a full understanding of the environmental conditions and do not show a clear pattern since the data varies throughout the KPTF site. The actions of the Superior Court are expected to assist in the gathering of necessary data to allow Regional Board analysis and determination of remediation activities.

Wilmington Middle School

During the on-site investigation of the KPTF, high concentrations of chlorinated solvents Tetrachloroethylene (TCE) and Perchloroethylene (PCE) and benzene were detected in samples collected from locations nearest to Wilmington Middle School located at 1700 Gulf Avenue, Wilmington. The Regional Board and LAUSD are concerned that the soil gas plume may have extended offsite beneath the school property; and as a result there may be a potential threat to the health of

the children and staff at the school. Therefore, on October 13, 2009 the Regional Board issued an order to Shell to conduct an assessment at the Wilmington Middle School properties expeditiously to determine if measures are warranted at this time to protect public health and the environment.

The following information summarizes recent or upcoming activities associated with the environmental investigation at Wilmington Middle School:

Date	Action
October 13, 2009	CWC Section 13267 Order to Shell to submit work plan to conduct off-site investigation at Wilmington Middle School.
November 10, 2009	Shell submitted work plan to Regional Board.
November 24, 2009	Regional Board approved work plan; Report due January 15, 2010.
December 14, 2009	Shell requested time extension for submittal of final report.
December 17, 2009	Regional Board approved 30 day extension; Report due February 15, 2010.
December 22–28	Field work – collection of soil vapor and shallow soil samples.
January 15, 2010	Shell submitted “preliminary soil vapor data”; elevated chlorinated solvents Perchloroethylene and Tetrachloroethylene (PCE & TCE) and benzene detected.
January 20, 2010	Regional Board requested Shell to conduct indoor air sampling.
January 21, 2010	Regional Board approved indoor air sampling locations.
January 24, 2010	Shell conducted indoor air sampling.
January 28, 2010	Preliminary indoor air sampling results submitted; Benzene found at above California Human Health Screening Level (CHHSL) value; PCE below CHHSL.
February 2, 2010	Per OEHHA review, long term risk to staff and children evaluated; Based on OEHHA’s review, Regional Board staff concludes no immediate action is warranted at this time.

As reported in a *Daily Breeze* article dated February 6, 2010 (Exhibit No. 2), LAUSD indicated that there is no current concern for the health of students and teachers and an update was provided by LAUSD to the parents explaining the status of the environmental investigation by Shell. Based upon discussions with

February 16, 2010

the Regional Board and Shell other sites (i.e. Turco, dry cleaning businesses, etc.) are being considered for possible contribution to the contamination found at Wilmington Middle School.

Next Steps

The Regional Board continues to direct the efforts of Shell Oil Company related to testing and implementation of an interim remedial action plan. Documentation is available for public review at the Regional Board website located at www.geotracker.ca.gov and a direct link has been provided from the city's website at <http://ci.carson.ca.us> to facilitate the viewing of information related to the Carousel housing tract. The Regional Board has scheduled a community meeting for March 25, 2010 at the Congresswoman Juanita Millender-McDonald Community Center.

As requested by City Council, future agenda items will be generated to provide additional information regarding the environmental assessment process and preliminary results from testings.

V. FISCAL IMPACT

Potential staff costs due to the administration of contracts with outside consulting firms.

VI. EXHIBITS

1. Superior Court Order After Initial Status Conference dated January 27, 2010. (pgs. 5-10)
2. Article from Daily Breeze dated February 6, 2010. (pgs.11-12)

Prepared by: Sheri Repp Loadsman, Planning Officer
sf:Rev061902

Reviewed by:

<u>City Clerk</u>	<u>City Treasurer</u>
<u>Administrative Services</u>	<u>Development Services</u>
<u>Economic Development Services</u>	<u>Public Services</u>

Action taken by City Council	
Date _____	Action _____

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JAN 29 2010

Dept. 307

ORIGINAL

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SUPERIOR COURT OF CALIFORNIA
COUNTY OF LOS ANGELES

FEB 09 2010

John A. Clarke, Executive Officer/Clerk
By [Signature] Deputy
KATHERINE KRYSKIEWICZ

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OIL PRODUCTS US

8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF LOS ANGELES, CENTRAL CIVIL WEST**

11 ADELINO ACOSTA, et al.,

12 Plaintiffs,

13 v.

14 SHELL OIL COMPANY, doing business as
SHELL OIL PRODUCTS US, a Delaware
15 Limited Liability Company, OCEANIC
PROPERTIES INC., a Hawaii Corporation;
16 BARCLAY HOLLANDER CORPORATION,
a California Corporation; CASTLE & COOKE
17 CALIFORNIA, INC., a California
Corporation, CASTLE & COOKE, INC. a
18 Hawaii Corporation, and Does 1 through 1000,
inclusive,

CASE NO. NC053643
(Related To Cases NC053684,
NC053766)

(Hon. William F. Highberger)

**[PROPOSED] ORDER AFTER INITIAL
STATUS CONFERENCE**

20 AND RELATED CASES

Date: January 27, 2010
Time: 11:00 a.m.
Location: Dept. 307

Complaint Filed: October 22, 2009

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[PROPOSED] ORDER

EXHIBIT NO. - 1

5

1 The Court held the Initial Status Conference in these related cases on January 27, 2010.
2 The Parties made their appearances as reflected on the record of the Initial Status Conference.
3 After reviewing the Joint Initial Status Conference Report filed by the Parties, and considering
4 the points made therein and orally by counsel for the Parties at the hearing, the Court ORDERS
5 as follows.

6 1. As Plaintiffs are collecting Guardian Ad Litem forms in order to obtain the
7 summons for the *Angel Acosta* action (Case No. NC053766) and are currently short
8 approximately twenty "20" Guardian Ad Litem forms, Plaintiffs are ordered to exercise their best
9 efforts to serve all defendants in the *Angel Acosta* action by February 16, 2010.

10 2. The Parties are to meet and confer regarding which electronic service to use in
11 connection with these cases (such as LexisNexis File and Serve or a similar service), and file a
12 stipulation with the Court by February 16, 2010 regarding the Parties' selection and the
13 procedures for use of such service.

14 3. The Court sets the following briefing schedule and hearing date for a joint
15 demurrer and joint motion to strike to be filed by Defendants in the lead *Adelino Acosta* case
16 (Case No. NC053643):

17	Opening Brief	Friday, February 26, 2010
18	Opposition	Friday, March 12, 2010
19	Reply	Friday, March 26, 2010
20		
21	Hearing Date	Tuesday, April 6, 2010, at 10:00 a.m.

22 Royal Dutch Shell plc will file its motion to quash service or other jurisdictional motion
23 according to the same schedule and hearing date.

24 Any Defendant with a separate and distinct issue may also file a supplemental demurrer
25 and/or motion to strike according to the same schedule and hearing date. All such motions shall
26 be applicable to all related cases, but shall be filed only in the lead *Adelino Acosta* case.
27 Defendants' opening joint briefs and Plaintiffs' opposition to the joint demurrer and joint motion

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1 to strike shall each be no more than 30 pages in length. Defendants' reply briefs in connection
2 with the joint demurrer and joint motion to strike shall each be no more than 20 pages in length.

3 4. Pursuant to the Parties' agreement and Initial Status Conference Statement,
4 Plaintiffs in each of the related cases are ordered to provide access to their properties for the
5 Shell Defendants to conduct the soil, soil vapor and indoor air sampling, and necessary follow-up
6 sampling, as set forth in the Phase II Work Plan and Indoor Air Sampling Work Plan approved
7 by the Los Angeles Regional Water Quality Control Board. The Parties are to exercise their best
8 efforts to work out a rolling schedule and the logistics for such sampling, and Plaintiffs' counsel
9 is to arrange for access with the individual Plaintiffs for the Shell Defendants to conduct such
10 sampling according to the schedule. Defendants shall provide Plaintiffs with split samples
11 during such sampling.

12 5. Pursuant to the Parties' agreement and Initial Status Conference Statement, the
13 Parties in each of the related cases shall exercise their best efforts to exchange by February 26,
14 2010 all data in the Parties' or their consultants' possession, custody and control from any
15 sampling performed at Plaintiffs' residences and in the Carousel neighborhood, as well as all
16 non-work product documents regarding such sampling and data. Such non-work product
17 documents include, but are not limited to, sampling protocols, chains of custody, laboratory
18 reports, and reports to governmental agencies regarding such sampling. As the Parties collect
19 additional data in connection with these related cases or the agency investigations of the site, the
20 Parties are ordered to exchange all such data within 45 days of its receipt on a rolling basis.

21 6. The Court hereby sets a further status conference in these related cases for
22 February 18, 2010, at 9:30 a.m.. The Defendants and Plaintiffs are ordered to meet and confer
23 regarding appropriate case management orders (CMOs), including mutual near-term discovery
24 issues, and to submit separate further status conference statements and any proposed orders by
25 February 16, 2010 at noon.

26 ////

27 ////

28 ////

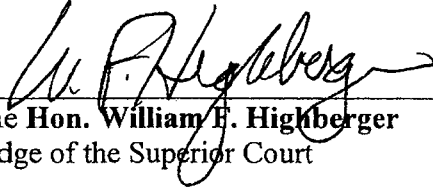
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1 7. The Court's stay on discovery and pleading motions shall continue until the
2 February 18 further status conference, except as set forth above.

3
4 **IT IS SO ORDERED.**

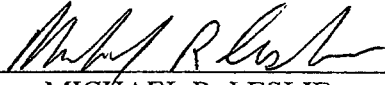
5 Date: 2/9, 2009

6 
7 The Hon. William F. Highberger
8 Judge of the Superior Court

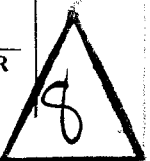
9 Respectfully Submitted:

10 DATED: January 29, 2010

CALDWELL LESLIE & PROCTOR, PC

11
12
13 By 
14 MICHAEL R. LESLIE
15 Attorneys for Plaintiff EQUILON ENTERPRISES
16 LLC dba SHELL OIL PRODUCTS US
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PROOF OF SERVICE

I am employed in the County of Los Angeles, State of California. I am over the age of eighteen and not a party to the within entitled action. My business address is 1000 Wilshire Boulevard, Suite 600, Los Angeles, California 90017-2463.

On **January 29, 2010**, I served the within document(s) described below as:

[PROPOSED] ORDER AFTER INITIAL STATUS CONFERENCE

(X) BY MAIL: By placing a true copy thereof in sealed envelopes and causing them to be deposited in the mail at Los Angeles, California. The envelopes were mailed with postage thereon fully prepaid. I am readily familiar with our firm's practice of collection and processing correspondence for mailing. It is deposited with the U.S. postal service on that same day in the ordinary course of business. I am aware that on motion of party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing affidavit.

- SEE ATTACHED SERVICE LIST -

() BY FAX: By transmitting a true copy thereof via facsimile machine to the offices or the parties listed on the attached Service List. I caused the copy to be transmitted from the facsimile number of Caldwell Leslie & Proctor, PC, (213) 629-9022 or (213) 629-5584. The transmission was reported as complete and without error. A copy of the transmission report is attached to this Proof of Service.

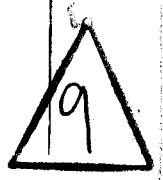
() BY OVERNIGHT MAIL (VIA OVERNITE EXPRESS): I caused such envelope to be deposited at a station designated for collection and processing of enveloped and packages for overnight delivery service by **OVERNITE EXPRESS**. I am "readily familiar" with the firm's practice of collection and processing of documents and other papers to be sent by overnight delivery service by **OVERNITE EXPRESS**. Pursuant to that business practice, envelopes in the ordinary course of business are that same day deposited in a box or other facility regularly maintained by such overnight service carrier or delivered to an authorized courier or driver authorized by such overnight service carrier to receive documents in an envelope or package with delivery fees paid or provided for.

(X) STATE: I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct of my own personal knowledge, and that I executed this document on **January 29, 2010**, at Los Angeles, California.

() FEDERAL: I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct of my own personal knowledge, that I am employed in an office of a member of the Bar of this Court at whose direction this service was made, and that I executed this document on **January 29, 2010**, at Los Angeles, California.

Margie Odanaka
MARGIE ODANAKA

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SERVICE LIST

Adelino Acosta, et al. v. Shell Oil Company, et al.

LASC Case No. NC 053643 [Related to NC 053684, NC 053766]

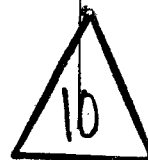
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DailyBreeze.com

Inquiry on tank farm touches middle school

By Kristin S. Agostoni

Posted: 02/06/2010 03:41:17 PM PST

The regulatory agency overseeing an investigation of a former Carson oil tank farm has widened the probe to include Wilmington Middle School, where contractors have checked the soil and indoor air in search of possible contaminants.

So far, Los Angeles Unified School District officials say they have no reason to worry about the health of students and teachers at the Gulf Avenue school, which sits southwest of the tank farm once operated by Shell Oil.

The tanks were torn down long ago to make way for the Carousel housing tract just north of Lomita Boulevard, between Marbella and Panama avenues. Since elevated levels of benzene and methane were discovered in the soil beneath single-family houses there, many in the 285-home tract have joined a lawsuit against Shell.

"We were very anxious," said Tom Watson, LAUSD's environmental program manager for new construction. But, he added: "based on the preliminary data that we've collected, the school is safe."

The district on Friday sent an update on the

investigation to students and parents, explaining the next steps required of Shell Oil. A final report on soil samples and vapors is expected within the next several days, and LAUSD will later host a community meeting to explain the findings and answer questions, the district's notice states.

The Los Angeles Regional Water Quality Control Board, which is overseeing the testing, also plans to hold a community forum in mid-March for residents of Wilmington and Carson, board Chairwoman Mary Ann Lutz said Friday.

LAUSD officials said they learned late last year that the regional water board was concerned about the proximity of the former oil tanks to the 2,200-student middle school campus.

As a first step, the district said it tested the air inside the school and determined the classrooms were safe.

Then, over the holiday break, a contractor for Shell collected soil and soil vapor samples along the campus's northeast boundary. Preliminary data detected elevated levels of various substances related to chemical manufacturing and refining, Watson said, but the district maintains they don't pose a threat because there are no pathways for exposure.

Petroleum-related chemicals, including benzene and methane, were also found although Shell Oil spokeswoman Alison Chassin said both were "below school-based screening levels."

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DailyBreeze.com

Last month, following a preliminary analysis of the soil and vapor samples, Shell agreed to conduct indoor air testing at the urging of the district and the regional water board, according to a Jan. 20 letter from Tracy Egoscue, the board's executive officer.

At the time, Egoscue wrote that the regional board and LAUSD had expressed concerns about the preliminary soil vapor data.

But Watson said the screening results ultimately showed that the air quality inside the school "is similar or equivalent" to the air students are exposed to outside the school or "on their way to the supermarket."

Nonetheless, Watson said the district will ask for another round of indoor air sampling following Shell's release of a more detailed report on Feb. 15.

The technical document will discuss in more depth the soil and gas samples collected from the campus, Chassin said, and "may indicate that more testing is required, or a certain type of remediation is required."

In the industrial community of Wilmington, news that the tank farm investigation had extended to the school property was a cause for alarm for some, said Teresa Vallejo, head of the campus parent center.

"The parents, we know about this because we

received a notice from the district and the school," Vallejo said. "We know that in Wilmington, there is a lot of pollution. Yes, as parents, we are worried."

According to water board records, Shell operated the tank farm from 1924 to about 1966.

It sat on 50 acres and consisted of three crude oil reservoirs, together capable of holding 3.5 million barrels.

kristin.agostoni@dailybreeze.com

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