

**GASB STATEMENT NO. 49**  
**ACCOUNTING AND FINANCIAL REPORTING FOR POLLUTION REMEDIATION**  
**OBLIGATIONS**

**Preliminary List of Possible Sites Requiring Accounting and Financial Reporting  
for Pollution Remediation Obligations**

Based upon his knowledge, Tony Garvin of the Office of the General Counsel has prepared the following preliminary list of possible polluted or contaminated sites that may require the accounting and reporting of remediation obligations by the University according to GASB Statement No. 49. This preliminary list is intended to assist the local campus consultations and should not be a substitute for more extensive local discussions. In addition, campuses should carefully evaluate and document the financial accounting and reporting requirements of GASB 49 for each identified site and determine whether there are appropriate costs to be recognized as remediation obligations.

1. UCB. Richmond Field Station.

The Richmond Field Station contains contaminated soil and potentially contaminated groundwater from historic contamination caused by the previous owner of the property, California Cap Company, and historic contamination from the former Stauffer Chemical Company adjacent site. Stauffer manufactured pesticides and fertilizers at the adjoining property from the late 1800s or early 1900s until approximately 1985. Stauffer roasted pirite ores to make sulfuric acid leaving a waste product of pirite cinders containing heavy metals including arsenic, cadmium, mercury, lead and other metals. Cinders containing heavy metals were deposited on the RFS property and other releases from the Stauffer property contaminated the RFS. In addition, the California Cap Company manufactured blasting caps and other explosives on the RFS property between the late 1800s until 1949, using mercury fulminate in the manufacturing process. As a result of the manufacturing process, soil and potentially groundwater is contaminated with mercury. UC purchased the site in 1950 and performed extensive remedial actions on portions of the property between 2002-2004 under a Site Cleanup Order issued by the California Regional Water Quality Control Board. Regulatory jurisdiction was transferred from the RWQCB in 2005 to the California Department of Toxic Substances Control (DTSC). DTSC issued a Site Investigation and Remediation Order to UC and Zeneca (the corporate successor to Stauffer) in September 2006 which requires UC and Zeneca to do further site investigation and remediation for contaminated soil and groundwater on the RFS. It is not possible at this time to accurately estimate the potential cost of further investigation and remediation of the site. However, one remediation action is estimated to cost between \$1-2 million to remove mercury contaminated soil in one area of the RFS. In addition, DTSC has issued a second Site

Investigation and Remediation Order to Zeneca and UC to perform further investigation of the former Stauffer property. UC is named in the order because approximately 47,000 cu yds. of contaminated soil from the RFS remediation in 2002-2004 was treated and disposed of in a landfill on the former Stauffer property. In addition, DTSC issued a Summary of Violations in June 2007 to UC and Zeneca for alleged violations of hazardous waste permit requirements and ordering UC and Zeneca to excavate and dispose off-site at a licensed disposal site the 47,000 cu. yds. of soil deposited on the former Stauffer property. While UC believes that it has strong defenses to the DTSC enforcement action, the preliminary estimate of the cost to remove the 47,000 cu. yds. and to dispose of it at a Class I hazardous waste disposal site is approximately \$10 million.

2. UCB. Warren Hall.

UCB has announced plans to demolish Warren Hall for seismic reasons and to replace it with a new building. Warren Hall was used in the past for instruction and some laboratory research by the School of Public Health. Some of the laboratory research used radioactive materials pursuant to the campus Radioactive Materials License from the California Department of Public Health. The license and DPH regulations require the campus to prepare a decontamination and decommissioning (D and D) plan for the removal and disposal of any residual radioactive contamination of the building. UCB is in the process of preparing the D and D plan and will submit it to DPH for approval prior to demolition of Warren Hall. It is not possible at this time to estimate the eventual cost of decontamination and decommissioning of Warren Hall.

3. UCB. 6701 San Pablo.

UCB purchased the former Smith Corona adding machine manufacturing building and adjoining property located at 6701 San Pablo Ave. in Berkeley. UCB sold the building in 2007 to a developer who intends to convert the building to commercial or commercial/residential use. UCB continues to lease the building for three years from the date of the purchase and thus still remains in control of the building. The past operations of Smith Corona and others prior to purchase by UCB resulted in some soil and groundwater contamination with volatile organic compounds (VOCs). Under the terms of the Purchase and Sale Agreement, UCB has agreed to be responsible for up to \$750,000 of the first \$ 1 million of investigation and remediation costs and to contribute approximately an additional \$200,000 for purchase of environmental insurance. In addition, UCB has agreed to decommission and decontaminate the building for any residual radioactive materials handling that occurred during UCBs ownership. It is not possible to accurately estimate the potential cost of the radioactive material decontamination and decommissioning at this time.

4. UCD. Laboratory for Energy Related Health Research/South Campus Disposal Site (LEHR).

The LEHR site was used by DOE and UCD between approximately 1950-1960s for research on the effects of radioactive materials on animals. This research was conducted by either DOE personnel or UCD personnel pursuant to DOE funded grant research. The research resulted in residual contamination of the site with radioactive materials. In addition UCD operated three landfills on the site which were used for disposal of waste from the campus including hazardous materials. The site was designated as a federal Superfund Site by the US EPA in 1994. USEPA issued an Administrative Order on Consent (AOC) which was signed by UCD in 1999. Under the AOC, UCD is required to investigate and remediate the three former landfill areas and to investigate and remediate contaminated groundwater. UCD is performing interim remedial action to treat contaminated groundwater and is in the process of preparing a Feasibility Study to develop proposed remediation of the land disposal sites. Although it is not possible to accurately estimate the cost of eventual remediation, preliminary estimates of the remedial costs range between \$7-15 million. In addition, UCD has been coordinating its efforts with DOE pursuant to a MOU with DOE. DOE is responsible for investigation and remediation of its portion of the site and has performed some excavation and off-site disposal of contaminated soil.

5. UCLA. Rockwell Wind Tunnel.

In 1998, Rockwell International (Rockwell) donated a Trisonic Wind Tunnel (TWT) to UCLA. The TWT had been used by Rockwell and others for aeronautics research. The operation of the wind tunnel by Rockwell and others prior to 1980 involved the use of PCBs. This use resulted in the disposal or spills of PCBs during Rockwell's ownership. Under the terms of the Donation Agreement, Rockwell agreed to cleanup and remediate the property if requested by UCLA. UCLA has now asked Rockwell to remediate the property and to demolish the TWT so that UCLA can sell or use the property. Rockwell has agreed to remediate the property and is currently negotiating a Voluntary Cleanup Agreement with DTSC. UCLA would not be a party to the Voluntary Cleanup Agreement and is not required to perform remediation. However, UCLA has tentatively agreed to return approximately \$600,000 to Rockwell which could be used by Rockwell for remediation under the terms of the Donation Agreement.

6. UCR. Riverside Pesticide Pits.

UCR performed remediation prior to 2006 regarding contaminated soil and possibly groundwater on the UCR campus. UCR may have additional long term monitoring obligations regarding the site. I have not been involved and do not know the status of the site.

7. UCSD, UCI, UCLA, UCD. Omega Superfund Site.

The Omega Superfund Site, located in Santa Fe Springs, Ca., was used for several years for the recovery of spent solvents. Hundreds if not thousands of companies used the Omega site for recycling of their solvent wastes, including UCSD, UCI, UCLA and UCD. The USEPA named the site to the federal National Priority List of Superfund Sites. Over 50 companies and several government entities including the Regents were named by EPA as Potentially Responsible Parties (PRPs) liable for investigation and cleanup of the site. The Regents signed a Consent Decree with EPA and other companies agreeing to perform remediation and investigation of the Omega site. The parties to the Consent Decree conducted liability allocation negotiations and agreed to percentage allocations of liability. Under the terms of the Consent Decree and the allocation agreement, the Regents are responsible for a percentage of the ongoing costs of investigation and remediation. During 2006-2007, UC was not required to contribute any funds to the remediation or investigation because the ongoing costs were covered by recoveries from other PRPs. It is likely that UC will be assessed additional funds during 2007-2008 and in future years. It is not possible at this time to determine what the assessment will be for 2007-2008. In addition, the PRPs at the Omega site have been notified that parties at the Angeles Chemical Disposal Site intend to file a complaint against the Omega site PRPs for alleged groundwater contamination which has allegedly migrated from the Omega site to the Angeles Chemical site.

Bob Charbonneau, UCOP Facilities Administration – Environmental Protection has also identified the following sites as possible reportable sites:

1. UCB Richmond Field Station – site investigation/remediation under agency order in progress (same as 1 above).
2. UCD Active landfill that accepts campus solid waste – still in operation; unknown life expectancy.
3. UCI Old abandoned landfill that we inherited when campus lands were acquired – needs remedial action.
4. UCR Toxic Pits – post-remediation monitoring is still being conducted pursuant to State Superfund (same as 6 above)
5. UCSF Mission Bay operates under an approved brownfields Risk Management Plan that affects all construction and excavation/grading activity.
6. LBNL is conducting a long-term site-wide RCRA Corrective Action cleanup.