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PHASE I ENVIRONMENTAL SITE ASSESSMENT

**City of Wells Mixed Use Redevelopment
Site #1
1222 6th Street
(APN 002-760-004)
Wells
Nevada**

***Contract DEP17-026
Task Number MA07-18***

McGinley Report No.: BRN048

***State of Nevada
Department of Conservation & Natural Resources
Division of Environmental Protection
Attn: David Friedman, Brownfields Program Coordinator
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***On behalf of:
City of Wells***

May 29, 2018

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EXECUTIVE SUMMARY

This report presents the findings of a Phase I Environmental Site Assessment (ESA) performed on the commercial property addressed at 1222 6th Street, Wells, Nevada, and hereafter referred to as the Subject Property. McGinley and Associates, Inc. (McGinley) conducted this investigation for the purpose of identifying recognized environmental conditions (RECs), historical recognized environmental conditions (HRECs), and/or controlled recognized environmental conditions (CRECs) on the property in accordance with the 2013 ASTM International standard practice for the performance of Phase I Environmental Site Assessments (ASTM E 1527-13). The U.S. Environmental Protection Agency (EPA) has endorsed this practice as satisfying the requirements of All Appropriate Inquiry (AAI).

The Subject Property is identified as Elko County Assessor Parcel Number 002-760-004 and is located in the SW ¼ of Section 10, Township 37 North, Range 62 East, of the Mount Diablo Baseline and Meridian. Currently the Subject Property is used for the offices of Bottari & Associates Realty, Inc. The property is accessed from the north via 6th Street.

Findings

General Findings

- *The Subject Property is 8.54 acres in size and is comprised of a single-story commercial office building, an unfinished storage structure, gravel-surfaced parking and travel areas, and undeveloped land.*
- *The commercial office building is approximately 936 square feet in size and was originally constructed in 1968. The structure has a finished basement with a sump pump and remnants of an older propane heating system that is no longer in use. It appears the pump directs collected water through a hose to the exterior portion of the Subject Property.*
- *The storage structure is not a completely finished structure and is currently used to store old equipment. It appears that the structure was originally built for a recreational vehicle park along with the water and electrical utility stations located north of the building.*
- *Two billboard towers are located along the southern border of the Subject Property. The billboards provide advertising to vehicles traveling along Interstate-80. Electrical utilities are provided to each billboard.*
- *Five pole-mounted transformers (one by the southern border and four near the real estate office) were observed on the Subject Property. The transformers appear to be newer and in good condition. Three of the five transformers were labeled to be non-PCB. The two without an observed label appeared to be similar in type and construction to the ones with the non-PCB label.*
- *Most of the site is undeveloped. Asphalt rubble and other construction debris was observed on the southern portion and appears to have been dumped there after an asphalt road was demolished.*
- *No regulatory sites associated with the Subject Property were identified in the EDR report.*
- *The following regulatory listings were identified within the Approximate Minimum Search Distances in the databases searched by EDR: seven Nevada State Hazardous Waste (SHWS) sites, two NV leaking underground storage tank (LUST) sites, five Nevada underground storage tank (UST) sites, two Nevada aboveground storage tank (AST) sites, three US Brownfields sites, and one RCRA Non-Generator No-Longer-Regulated (NonGen/NLR) site.*

Historical Recognized Environmental Conditions (HREC)

No historical recognized environmental conditions were found for the Subject Property.

Controlled Recognized Environmental Conditions (CREC)

No controlled recognized environmental conditions were found for the Subject Property.

Recognized Environmental Conditions (REC)

Two recognized environmental conditions were found for the Subject Property:

- The drainage ditch located on the eastern portion of the Subject Property appears to be contaminated with petroleum hydrocarbons. In addition, a review of regulatory sites in the vicinity of the Subject Property indicates that surface water from multiple former service stations to the east and south flows directly into the drainage ditch and historically, fuel and contaminated water have impacted the ditch. With groundwater estimated to be between 10 and 15 feet below ground surface, a possibility exists that previous spills to the ditch may have impacted groundwater beneath the Subject Property.*
- A MTBE plume emanating from the adjacent Mountain Store site to the east appears to have migrated below the Subject Property sometime between 2001 and 2004. Although a “No Further Action” letter has been issued by NDEP for the site, a possibility exists that MTBE may still be in the groundwater below the Subject Property.*

Conclusions

McGinley has performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527-13 of the property addressed at 1222 6th Street in Wells, Nevada, the property. Any exceptions to, or deletions from, this practice are described in Section 7 of this report.

Upon conclusion of our Phase I ESA, and based on the information reviewed, this assessment has revealed no evidence of recognized environmental conditions or controlled recognized environmental conditions in connection with the Subject Property except as follows:

- The drainage ditch located on the eastern portion of the Subject Property appears to be contaminated with petroleum hydrocarbons. In addition, a review of regulatory sites in the vicinity of the Subject Property indicates that surface water from multiple former service stations to the east and south flows directly into the drainage ditch and historically, fuel and contaminated water have impacted the ditch. With groundwater estimated to be between 10 and 15 feet below ground surface, a possibility exists that previous spills to the ditch may have impacted groundwater beneath the Subject Property.*
- A MTBE plume emanating from the adjacent Mountain Store site to the east appears to have migrated below the Subject Property sometime between 2001 and 2004. Although a “No Further Action” letter has been issued by NDEP for the site, a possibility exists that MTBE may still be in the groundwater below the Subject Property.*

Based on the information reviewed for this assessment, McGinley is of the opinion that additional investigations at the Subject Property are warranted at this time. Further, if the building is to be demolished in the future, a survey of the building materials for asbestos is required to be conducted prior to demolition.

1. INTRODUCTION

1.1 Purpose

This report presents the findings of a Phase I Environmental Site Assessment (ESA) performed on the property addressed at 1222 6th Street in Wells, Nevada, and hereafter referred to as the Subject Property. McGinley and Associates, Inc. (McGinley) conducted this investigation for the purpose of identifying recognized environmental conditions (RECs), historical recognized environmental conditions (HRECs), and/or controlled recognized environmental conditions (CRECs) on the property in accordance with the 2013 ASTM International standard practice for the performance of Phase I Environmental Site Assessments (ASTM E 1527-13). The U.S. Environmental Protection Agency (EPA) has endorsed this practice as satisfying the requirements of All Appropriate Inquiry (AAI).

1.2 Site Location

The Subject Property is located in the SW ¼ of Section 10, Township 37 North, Range 62 East, of the Mount Diablo Baseline and Meridian. A parcel map from the Elko County Assessor's Office, which depicts the Subject Property parcel, is provided herein as Appendix A. The location of the site and the property boundary are displayed in Figures 1 and 2.

1.3 User Responsibilities

In order to qualify for one of the Landowner Liability Protections (LLPs) offered by the Small Business Liability Relief and Brownfields Revitalization Act of 2001 (the "Brownfields Amendments"), the User must complete an AAI compliant user questionnaire and provide it to the environmental professional. Failure to complete this user questionnaire could result in a determination that "all appropriate inquiry" is not complete. The questionnaire determines a baseline of User knowledge of the Subject Property regarding the following items:

1. Environmental cleanup liens that are filed or recorded against the site (40 CFR 312.25);
2. Activity and land use limitations that are in place on the site or have been filed or recorded in a registry (40 CFR 312.26);
3. Specialized knowledge or experience of the person seeking to qualify for the LLP related to the property or nearby properties (40 CFR 312.28);
4. Relationship of the purchase price to the fair market value of the property if it were not contaminated (40 CFR 312.29);
5. Commonly known or reasonably ascertainable information about the property (40 CFR 312.30); and
6. The degree of obviousness of the presence or likely presence of contamination in, on, or at the property, and the ability to detect the contamination by appropriate investigation (40 CFR 312.31).

In order to obtain this information, an AAI compliant user questionnaire was provided to the User of this Phase I ESA. The completed user questionnaire can be found in Appendix B.

1.4 Conditions of Contract

McGinley performed this work for the Nevada Division of Environmental Protection (NDEP) on behalf of the City of Wells (User) as part of the State of Nevada Brownfields Program (NBP) pursuant to the Scope of Work outlined within our proposal dated May 7, 2018 and agreed upon through a Scope of Work Approval task letter dated May 8, 2018. The NBP task number for this project under Contract DEP17-026 is MA07-18.

1.5 Special Terms and Conditions

No special terms or conditions apply to this Phase I ESA other than those set forth in ASTM E1527-13 and 40 CFR Part 312.

1.6 Scope of Work

The scope of work performed and procedures utilized included the following tasks:

- **Site reconnaissance** of the Subject Property and observation of adjoining properties and vicinity by a qualified person under the direct supervision of an McGinley Certified Environmental Manager;
- **Environmental setting review** to determine potential pathways for the migration of contaminants including solids and liquids at the surface or subsurface, and vapor in the subsurface;
- **Review of site history/land use** through city directory listings, historical aerial photographs, historical topographic maps, local jurisdiction records, and personal interviews/questionnaires;
- **Review of regulatory agency records** to identify and assess any listings of regulatory permits, registrations, or enforcement actions at the subject site, adjoining properties, or proximal sites (if necessary), through both a commercial database search and agency inquiries; and,
- **Preparation of this report** that describes all work performed and presents a discussion of the findings and conclusions.

2. SITE RECONNAISSANCE

2.1 Methodology

For the purpose of assessing current site conditions, a visit to the Subject Property and surrounding area was conducted on May 21, 2018 under sunny and mild conditions. During the site visit, observations were made in regards to *recognized environmental conditions (RECs)*. As defined by ASTM E 1527-13, a REC is the presence, or likely presence, of any hazardous substances or petroleum products in, on, or at the property due to any release to the environment, under conditions indicative of a release to the environment, or under conditions that pose a material threat of a future release to the environment. The term REC is not intended to include *de minimis* conditions that generally do not present a material risk of harm to public health or the environment and which generally would not be the subject of an enforcement action if brought to the attention of appropriate governmental agencies. Photographs taken during the site reconnaissance are provided in Appendix C.

2.2 Observations During Reconnaissance

The entire site was walked and observed for the presence of RECs. The following is a list of some of the items of interest that were looked for during the site visit. If the item was not observed, it will be noted as “Not Observed”. If the item was observed during the site visit, it will be noted as “**Observed**” and a short description of the finding will follow.

- Staining or discoloration of soil and/or pavement
Several de minimus stains were observed on the exterior portions of the Subject Property. **Observed**
- Wastewater systems, septic systems, sumps, and/or seeps Not Observed
- Wells Not Observed
- Patched areas of asphalt or concrete Not Observed
- Standing surface water, ponds, farm tanks, etc. Not Observed
- Railroad spurs Not Observed
- Suspect PCB containing equipment Not Observed
- Hydraulic equipment Not Observed
- Underground storage tank (UST) systems/Vent Pipes Not Observed
- Above ground storage tanks (ASTs) Not Observed
- Sand-oil separators or grease interceptors Not Observed

• Paint booths, spray rigs, etc.	Not Observed
• Unorthodox heating and ventilation systems <i>Evidence of a former heating system was observed in the basement of the structure. The current owner indicated that the system used propane for its heat source.</i>	Observed
• Emergency generators	Not Observed
• Chemical/waste generation and/or storage	Not Observed
• Unusual odors	Not Observed
• Dumping, disturbed soils, direct burial activity <i>It appears that a large portion of the undeveloped land near the I-80 freeway berm (southwestern portion of the site) is covered with construction debris consisting mainly of asphalt road rubble.</i>	Observed
• Floor drains	Not Observed
• Air quality control equipment, air emissions, or smoke stacks	Not Observed
• Industrial or manufacturing activities	Not Observed
• Stressed vegetation	Not Observed
• Oil or gas well exploration or refinery activities	Not Observed
• Surface water contamination	Not Observed
• Farm waste, feed lot spoils, or manure stockpile	Not Observed
• Prolonged use, misapplication or storage of pesticides	Not Observed
• Discharges, or run-off of potential contaminants from off-site sources <i>A stormwater drainage channel enters the property from the southwest from beneath the freeway. The channel sediments at the entry point are black in color and appear to consist of potentially contaminated sediment from freeway runoff. The channel travels to the northeast along the eastern border of the Subject Property and traverses the northern portion of the site near the driveway entrance.</i>	Observed
• Basements and/or subsurface vaults <i>The structure has a finished basement that is used for the storage of items associated with the real estate business. A sump pump was observed and</i>	Observed

according to the owner of the Subject Property, the pump was installed after the basement flooded during the last winter season. In addition, former heating equipment was observed in the basement and the equipment was said to have used propane for its heat source.

2.3 Site Description and Current Usage

The Subject Property is comprised of a single parcel identified as 002-760-004. The parcel is addressed at 1222 6th St. in Wells, Nevada and has a total land area of 8.54 acres. The site is comprised of a 936 square foot single-story commercial office structure with a basement, a 1,000 square foot single-story unfinished storage structure, gravel-surfaced parking and travel areas, and undeveloped land. Currently, the Subject Property is used for the offices of Bottari & Associates Realty Inc. The property is accessed from the north via 6th Street. Utilities associated with the Subject Property consist of electric power (Wells Rural Electric Company), sewer (City of Wells), and water (City of Wells).

2.3.1 Interior of Realty Office

The interior portions of the realty office include an office area and a basement. The office area is comprised of a customer lobby, a break area, two bathrooms, and two offices. The basement is currently used for storage of equipment and other items related to the real estate business. A sump pump was observed in the floor of the basement and was installed due to previous flooding. Evidence of a former heating system, which used propane, was also observed in the basement area.

2.3.2 Interior of Storage Structure

The interior portions of the storage structure was comprised of one room containing equipment and other stored items. The structure itself did not appear to be finished and the area between the roof and the walls was open to the exterior.

2.3.3 Exterior Portions

The exterior portions of the Subject Property are comprised of gravel parking/travel areas, undeveloped land, two billboards, remnants (power and water utilities) of a former recreational vehicle park, and a normally-dry stormwater drainage ditch. Several older model vehicles and a tanker truck were observed on the property near the realty office structure. The vehicles and tanker truck appeared to be permanently stored. According to the owner of the property, the tanker truck was a water truck.

The undeveloped portion of the property is located south and west of the realty office structure. Most of the area appears to be comprised of native shrubs and plants. However, the southern portion of the area, near the Interstate 80 berm, appeared to mainly consist of asphalt rubble that is now overgrown with vegetation. It is unknown when the material was placed on the property. Near the northwestern portion of the undeveloped area, six water standpipes with electrical outlets were observed in two separate lines running north to south. The utilities were previously installed for a recreational vehicle park which may or may not have ever been in service. According to an interview with the current property owner, he was of the impression that the utilities were installed sometime in the 1970s but were never used. He also indicated that the storage structure was also built for the recreational vehicle park. In addition, two billboard signs are located near the southwestern and southeastern borders of the property. The signs each have electrical utilities. Lastly, five pole-mounted transformers were observed on multiple power poles located on the Subject Property.

A normally-dry stormwater drainage ditch was observed traversing the site from south to north along the eastern border. The ditch appears to originate from beneath the Interstate-80 berm. Dark sediment and potentially contaminated water was observed within the ditch where it emerged from the berm and it is likely that the sediments within the ditch are impacted by petroleum hydrocarbons and road dust from freeway runoff and other offsite sources. The ditch crosses beneath the gravel-surfaced entrance and exits the property near the northeastern corner when it goes beneath 6th Street.

2.4 Adjoining Properties

The Subject Property is bordered by the following:

North:	6 th Street with a gas station and undeveloped land beyond.
South:	Interstate-80 berm and freeway.
East:	Tire repair shop and gas station.
West:	An auto repair shop and industrial storage.

At the time of the site visit, the properties immediately surrounding the Subject Property consisted primarily of undeveloped and commercial/industrial properties. Reconnaissance of the publicly accessible portions of the properties located immediately adjoining the Subject Property, revealed no visible evidence of environmental concerns that could potentially impact the Subject Property.

2.5 PCB Sources

Polychlorinated biphenyl (PCB) is a man-made chemical known to have potential harmful effects on human health and the environment. Federal law banned U.S. production of PCBs as of July 2, 1979. However, PCB-containing materials may still be present in electrical equipment manufactured prior to 1979. Five pole-mounted transformers were observed on the Subject Property. The transformers appeared to be in good condition and no apparent leaks were observed. "No PCB" labels were observed on three of the five transformers and all of the transformers appeared to be of similar age and type.

3. ENVIRONMENTAL SETTING

3.1 Regional Physiographic Setting

The Subject Property is located within the Basin and Range Physiographic Province at an elevation of approximately 5,643 feet above mean sea level. Specifically, the Subject Property is located within the Humboldt River Valley in an area known as Town Creek Flat. The climate of the region is described as Mid-Latitude Steppe, which is characterized by cold winters, warm and dry summers, and semi-arid precipitation conditions (Houghton et. al., 1975). Historical average minimum and maximum annual temperatures for the area, as recorded at the nearest climate station in Wells, Nevada, are 28.5 and 60.2 degrees Fahrenheit, respectively, while historical annual precipitation averages 9.85 inches (Western Regional Climate Center, 2016).

3.2 Geologic Conditions

The geology underlying the Subject Property has been mapped as Quaternary Alluvial Deposits. The unit is described as unconsolidated alluvial deposits which locally include beach and sand dune deposits (Stewart and Carlson). The surficial soils found at the Subject Property have been mapped as Valmy-Enko Association having zero to two percent slopes. A typical profile of the soil is comprised of silt loam (0-9 inches), fine sandy loam (9-40 inches), and gravelly very fine sandy loam (40-61 inches). The Valmy-Enko soil group is classified as hydrologic soil group B, which are soils consisting chiefly of moderately deep or deep, moderately well drained or well drained soils that have moderately fine texture to moderately coarse texture. These soils have a moderate rate of water transmission and a moderate infiltration rate when thoroughly wet (NRCS, 2016).

3.3 Surface Water Conditions

A normally dry drainage ditch traverses the Subject Property from south to north along the eastern edge then turns to the west near the northern edge of the site and eventually north again and beneath 6th Street. The nearest major surface water body to the Subject Property is the Humboldt River, which is located approximately 1.7 miles north of the Subject Property.

According to the Federal Emergency Management Agency (FEMA), the site is identified to be in Zone AE which has base flood elevations determined and is within a special flood hazard area subject to inundation by the 1% annual chance flood. The western portion of the site is also within an area where the floodway is the channel of a stream plus any adjacent floodplain areas that must be kept free of encroachment so that the 1% annual chance flood can be carried without substantial increases in flood heights.

3.4 Groundwater Conditions

Based on a review of the Nevada Division of Water Resources (NDWR) Well Log Database, water wells may be located in the general vicinity of the Subject Property, however their exact locations are unknown and their existence has not been field-verified. A review of the NDWR "Nevada Hydrology Data" online platform appears to indicate that multiple monitoring wells are located east of the property along 6th Street. In addition, a review of regulatory files associated with the service station located to the north beyond 6th Street provides information that a monitoring well was formerly located on the Subject Property near the entrance to the realty office just north of the structure. Depth to groundwater data measured in the 1990s indicates that the historic water levels in this well ranged between 12 and 14 feet below ground

surface. The nearest well that appears to be current in use is located to the east and is listed to have a static water level of eight feet below ground surface.

Although no wells were observed on the Subject Property during site reconnaissance, the owner of the property said that he thought a monitoring well was previously located near the northeastern corner of the property and was for monitoring an offsite plume. Groundwater flow direction at the Subject Property is estimated to be to the northwest, based on topography.

4. SITE HISTORY AND HISTORICAL LAND USE

A historical assessment of the Subject Property was performed through a search and review of historical aerial photographs, historical topographic maps, available Sanborn fire insurance maps, available city directory records, and county records. The purpose of the historical assessment was to identify previous land uses that may have impacted the Subject Property in the past. A summary of our historical assessment is presented below.

4.1 Historical Aerial Photographs

Environmental Data Resources, Inc. (EDR) provided aerial photographs covering the area of the Subject Property for the years: 1967, 1980, 1994, 1999, 2006, 2010, and current. Aerial photographs for years other than these were not reviewed. A review of the aerial photos appears to indicate that the two Subject Property structures are first visible in the 1994 photo. Prior to 1994, the site appears to be undeveloped with several dirt roads traversing the site. Adjacent properties to the north, east, and west are also visible in the 1994 photo and Interstate 80 is first visible (as completed) in this photo as well. The Subject Property and the surrounding areas appear similar to current conditions in the 2010 and current aerial photos. A copy of the historical aerial photograph report that was reviewed is provided in Appendix D.

4.2 Historical Topographic Maps

Historical topographic maps were provided by EDR covering the area of the Subject Property for the years: 1968/1969, 1982, and 2014. Topographic maps for years other than these were not reviewed. A single structure is identified on the 1982 map as a red dot. The red dot is not visible in the 1968/1969 map. The review of these topographic maps did not reveal any apparent land uses that may have impacted the Subject Property in the past. A copy of the historical topographic map report that was reviewed is provided in Appendix D.

4.3 Sanborn Fire Insurance Maps

A Sanborn Map Report for the Subject Property was provided by EDR. Sanborn fire insurance maps provide detailed historical information about the site and its surrounding properties. According to EDR, the Subject Property lies in an area that is not mapped and is considered an “Unmapped Property”. A copy of the EDR Sanborn Map Report that was reviewed is provided in Appendix E.

4.4 City Directory Listings

At the request of McGinley, EDR searched City Directory listings for 6th Street and the surrounding roads. City directory listings as those found in EDR’s digital archive were searched for the years: 1977, 1982, 1987, 1992, 1995, 2000, 2005, 2010, and 2014. The Subject Property address was only listed in the 2010 (Nevada High Country SLS & SVCS), 2005 (Nevada High Country SLS & SVCS), and 2000 (Paul Bottari) listings. Most of the listings are associated with those located in downtown Wells on 6th Street. Listings in the immediate vicinity of the Subject Property include the Four Way Bar Café & Casino (1995) and Lucky J Casino (2000/2005), both of which are located to the east at 1231 6th St. The 2014 archive indicates that both of these businesses were addressed at 1440 6th St. in 2014. Other listings in the area include Carco, Roadway Company, Nannini Realty, and Intermountain Tire Center. A copy of the EDR city directory report that was reviewed is provided in Appendix E.

4.5 Interviews

At the time of the site visit, the owner of the property, Mr. Paul Bottari, provided a tour of the office structure and storage structure. In addition, Mr. Bottari was asked a number of questions regarding the history of the property. Mr. Bottari recalled a monitoring well located near the entrance area of his business and that the monitoring well eventually disappeared. He also stated that the business that occupied his property prior to him purchasing it was an auto repair facility. When asked about the water spigots and electrical utilities observed on the northwestern corner of the property, Mr. Bottari stated that in the 1970s or 1980s, the storage structure was built and a recreational vehicle park was constructed with the water and electrical utilities for that facility. He also said that he did not believe that the park was ever active. Lastly, Mr. Bottari stated that he was not aware of any potential environmental concerns associated with his property.

4.6 Elko County Assessor's Office

According to the Elko County Assessor's Office, the Subject Property is identified as APN 002-760-004 and is addressed at 1222 6th Street in Wells, Nevada. According to the records reviewed, the parcel is 8.540 acres in size, is located within the Wells GID – Redevelopment district, and currently has a land use code of 400 – *General Commercial*. The zoning code for the parcel is listed as *TC Class 1.00*. The original construction date of the 936 square-foot commercial structure is listed as 1968. The current property owner is listed as Paul and Lori Bottari, who have owned the property since 2003. The only previous property owner listed is Casino Inns of Nev Inc who are listed as owning the property prior to 2003.

4.7 User Provided Information

No previous environmental reports associated with the Subject Property were provided by the User or are known to exist.

5. RECORDS REVIEW

As defined in ASTM E 1527-13, a *historical recognized environmental condition* is a past release of any hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority (to current regulatory standards) or meets unrestricted residential use criteria established by a regulatory authority, without subjecting the property to institutional controls or engineering controls. A HREC will not be considered a REC per ASTM E 1527-13. To the contrary, a *controlled recognized environmental condition* is a REC that has been addressed to the satisfaction of the applicable regulatory authority with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls (i.e., property use restrictions, activity use limitations, institutional/engineering controls, etc.).

A regulatory agency review was conducted through both a commercial database search and local agency inquiries. The purpose of this regulatory agency review was to ascertain if regulatory actions have ever been imposed on the Subject Property, adjoining properties, or on properties within the search radius guidelines established by the 2013 ASTM Standard Practice for Environmental Site Assessments.

5.1 EDR Radius Map Report

At the request of McGinley, EDR provided records from federal, state, and local environmental databases for regulatory sites located within the *Approximate Minimum Search Distances* as specified in ASTM E 1527-13. A copy of the EDR report is included herein as Appendix F. Included within the report are summaries of the regulatory databases reviewed, a listing of sites identified within the search radius, detailed data on the identified sites, and maps showing the locations of facilities reported to have had regulatory action. McGinley reviewed and evaluated all of the sites in the EDR report.

According to the databases searched by EDR, no regulatory sites associated with the Subject Property were identified in the EDR report. In addition, the following regulatory listings were identified within the *Approximate Minimum Search Distances* in the databases searched by EDR: seven Nevada State Hazardous Waste (SHWS) sites, two NV leaking underground storage tank (LUST) sites, five Nevada underground storage tank (UST) sites, two Nevada aboveground storage tank (AST) sites, three US Brownfields sites, and one RCRA Non-Generator No-Longer-Regulated (NonGen/NLR) site.

Of the sites identified in the EDR Radius Map Report, seven were researched further. The other sites were not researched further because they are considered unlikely to have caused environmental impacts to the Subject Property in the past, because they appear to be located far from the Subject Property, are at locations that are considered likely to be hydrologically downgradient from, or cross-gradient to, the Subject Property, have had no reported releases, have had no reported violations of hazardous waste regulations, and/or have received regulatory closure.

The EDR database search also identified a number of sites that could not be mapped due to insufficient address information. McGinley reviewed all of these sites and has determined that all but one are located far from the Subject Property, are at locations that are considered likely to be hydrologically downgradient from, or cross-gradient to, the Subject Property, have had no reported releases, have had no reported violations of hazardous waste regulations, and/or have received regulatory closure. For this reason, the unmapped sites are considered unlikely to cause, or to have caused in the past, environmental impact to the Subject Property. The one

site which appears to be of concern to the Subject Property is the Mountain Store LUST site (Facility ID 6-000022). A discussion of the review of the Mountain Store regulatory file is provided in Section 5.2.

5.2 Nevada Division of Environmental Protection (NDEP)

The regulatory agency identified several regulatory sites administered by the NDEP Bureau of Corrective Actions (BCA) that could potentially impact the Subject Property. A review of those sites is provided in the following sections. In addition, regulatory files for one more site known to be located in the vicinity of the Subject Property was reviewed.

5.2.1 Former Fearless Farris Stinker Station #81 (Facility ID: 6-000160)

The former Fearless Farris Stinker Station is located approximately 1,000 feet downgradient and to the northwest from the Subject Property. This site was historically operated as a service station. In 1998, four UST systems were removed from the ground and contamination was discovered proximal to all four UST locations. Remediation activities commenced at the site in 1999 and since then, multiple environmental consultants have provided remediation and groundwater monitoring services. In 2011, benzene concentrations were reported above the maximum contaminant level (5 ug/L) in five of six groundwater monitoring wells, and ranged from 820 ug/L to 4,300 ug/L. The most recent remedial activities conducted at the site included the planting of trees on site for the purpose of contaminant uptake through the root system. Additional work appears to be forthcoming, however, it is unknown when the remedial work will take place. Currently, this site does not appear to be of concern to the Subject Property.

5.2.2 Wells Bonus #3 (Facility ID: 6-000058)

This facility was historically operated as a service station by Humboldt Oil from 1973 to 1991 and by Peterson Oil from 1991 to 1992 when it was closed. In 1994, the site was owned by Sagebrush Oil Company which operated the Wells Bonus #3 gasoline station. Currently, this property is occupied by the liquor store to the northwest of the real estate office.

The gasoline station had three USTs (8,000 gallon, 8,000 gallon, and 2,000 gallon), all of which contained gasoline. In 1995, a possible leaking UST was discovered at the facility. In response to the discovery, the tanks were tightness tested and it was determined that two of the three tanks were tight. For the third tank, a vent line was determined to be loose which caused the test to fail for that tank. The vent line was subsequently repaired and the tank was then re-tested and determined to be tight. Additional assessment (test pits) discovered hydrocarbons at the surface above the fill pipe of the regular gasoline tank and the impacts were estimated to be 10 foot by 10 foot by 12 foot in size. The tanks were then removed from the ground for permanent closure. In 1996, NDEP granted regulatory closure to the site while acknowledging the petroleum-impacted soils were not removed from the site.

In November of 2016, using funds from EPA Region 9's Targeted Brownfields program, a Phase I and II ESA was conducted on this property. The Phase II ESA consisted of soil sampling, soil gas sampling, and collection of two groundwater samples. A total of 24 discrete soil samples, 12 soil gas samples, and two groundwater samples were collected and analyzed. The groundwater sample collected in the vicinity of the former regular gasoline tank and impacted soil left in place was reported to have a benzene concentration of 17 ug/L, which is above the maximum contaminant level (MCL) for benzene of 5 ug/L. The TPH-gasoline concentration in this same well was reported to be 22,000 ug/L, however, there is no established MCL for TPH-gasoline. Of the 14 soil gas samples collected, only benzene (one sample), bromodichloromethane (one sample), and chloroform (four samples) were reported to exceed the screening level. For the soil samples, no TPH-gasoline or volatile organic compounds

(VOC) were detected in any of the samples collected. However, none of the samples were collected near the former regular gasoline tank location. Lastly, arsenic concentrations for all soil samples were reported above the EPA Region 9 regional screening level (RSL) of 0.68 mg/kg and ranged between 4.1 and 12 mg/kg. According to the report, the consultant opined that the arsenic concentrations may be due to natural background concentrations of arsenic in the soil.

5.2.3 Chevron Service Station #9-0303 (Facility ID: 6-000029)

Chevron Service Station #9-0303 was located north of the Subject Property and beyond 6th Street. An assessment conducted in 1989 determined that groundwater contamination from gasoline existed at this site. In addition, petroleum hydrocarbons in the oil range and diesel range were reported in multiple soil samples. Multiple monitoring wells were installed and an upgradient well (CHW-24) was installed on the Subject Property near the entrance to the realty office. A sample collected in the well in November of 1992 was reported to have a TPH concentration of 32 ug/L. No other gasoline constituents (benzene, toluene, ethylbenzene, or xylenes) or TPH were reported in any of the other samples collected from CHW-24 between 1992 and 1994. In 1990, a groundwater pump and treat system appears to have been installed and utilized to treat the groundwater. In 1992, it appears that a soil vapor extraction remediation system was installed. The USTs were removed in 1992 and remediation and monitoring continued at the site. In a letter dated November 24, 1997 from Gettler-Ryan Inc. of Dublin, California (UST Closure Contractor) to Ms. Jennifer Carr of NDEP, it was discussed that two 3,000 gallon spills of gasoline had previously occurred at an upgradient Texaco site (Four Way Café and Truck Stop) and the surface run off from the Texaco station travels directly into the drainage ditch. They also discussed evidence of effluent from the covert from the Texaco showing visual evidence of contaminants being emptied into the flood control ditch. The letter also discussed a Mountain Mart service station located just east of the ditch and upgradient of the Chevron. The letter stated that the Mountain Mart had removed their USTs in 1995 and spread contaminated soil for aeration purposes. Again, they stated that surface runoff from this area would travel directly into the drainage ditch. According to the letter, the flood control ditch (which is on the eastern edge of the Subject Property) had a visual sheen on the water, staining, and odors of petroleum hydrocarbons.

In April of 1998, NDEP granted closure to the Chevron facility even while benzene remained in the groundwater at a maximum concentration of 33 ug/L.

The current service station located at this site is JJ's Express (Chevron) addressed at 1237 6th Street in Wells, Nevada. The station uses a 12,000-gallon gasoline UST, a 10,000-gallon gasoline UST, and a 10,000-gallon diesel UST. The tanks are currently enrolled in the State of Nevada Petroleum Fund and their enrollment is effective until September 30, 2018. The fund enrollment assures up to \$1,000,000 per tank system for corrective action and \$1,000,000 for compensation of third parties.

5.2.4 The Mountain Store (Facility ID: 6-000022)

The Mountain Store was located directly east of the Subject Property and just beyond the drainage ditch located near the real estate office. In 1997 during permanent removal of the UST systems, petroleum impacted soil was found. Additional assessment was recommended by the consultant and the site was enrolled into the Nevada Petroleum Fund. Multiple geoprobe borings were advanced and seven monitoring wells were installed. For several years, additional characterization and monitoring events were conducted. In 2002, a corrective action plan was completed and the consultant determined that injection of oxygen release compound for bio-stimulation would be the best method for remediation of the groundwater. This was completed

through a series of injections in a geoprobe grid pattern. After continued monitoring through the first quarter of 2005, the consultant requested closure via Nevada Administrative Code (NAC) 459.9978(b). It should be noted that it appears the gasoline additive, methyl tert-butyl ether (MTBE), may have migrated beneath the Subject Property. Quarterly monitoring report figures and data appear to show that the estimated plume crossed the drainage ditch and onto the Subject Property as early as 2001. A no further action determination was granted by NDEP in May of 2005.

5.3 City of Wells Fire Department

On May 22, 2018, Mr. Keven Hall, Fire Chief was telephoned in order to conduct an interview regarding the Subject Property. Mr. Hall was asked if there were any known fires, complaints, spills, or other potential environmental issues in connection with the Subject Property. Mr. Hall responded that, to the best of his knowledge, he was not aware of any of those occurring at the Subject Property.

5.4 EDR Vapor Encroachment Screen

McGinley conducted a Vapor Encroachment Screen (VES) investigation in accordance with the 2015 ASTM Standard Guide for Vapor Encroachment Screening on Property Involved in Real Estate Transactions (ASTM E 2600-15). The VES investigation used available information and professional judgment to derive our conclusions. The goal of the VES is to identify the potential for vapors from hazardous substances and petroleum releases to reach the Subject Property. ASTM E2600-15 defines the term, vapor encroachment condition (VEC) as the presence or likely presence of chemical of concern (COC) vapors in the vadose zone of the Subject Property caused by the release of vapors from contaminated soil and/or groundwater either on or near the Subject Property as identified by Tier 1 or Tier 2 procedures. McGinley performed a VES for the area encompassing the Subject Property by reviewing each of the regulatory sites that were provided by EDR within a 1/3-mile primary search radius from the boundary of the Subject Property.

5.4.1 Tier 1 Screening

Initially, 11 sites were identified by EDR within the 1/3-mile primary search radius surrounding the Subject Property. Seven of these sites were immediately excluded because they were determined to have limited potential for the presence of contaminants of concern (COC); were determined to be outside the area of concern based on distance, gradient, and the type of COC; and/or were determined to be beyond the critical distance for vapor migration to the Subject Property.

5.4.2 Tier 2 Screening

Regulatory files for the four sites were reviewed to determine if a VEC exists at the Subject Property. Two of the sites were associated with the site that is now occupied by a liquor store (northwest of the realty office) and the other two sites are associated with the Chevron service station located north of the Subject Property beyond 6th Street. All four sites are located in a downgradient direction from the Subject Property and greater than the 30 feet critical distance for vapor migration associated with petroleum hydrocarbons in the dissolved phase. Therefore, a VEC does not exist. A copy of the VES report is included herein as Appendix G.

6. FINDINGS

6.1 General Findings

- The Subject Property is identified as Elko County Assessor Parcel Number 002-760-004 and is addressed at 1222 6th Street, Wells, Nevada.
- The Subject Property is 8.54 acres in size and is comprised of a single-story commercial office building, storage structure, and undeveloped land.
- The commercial office building is approximately 936 square feet in size and was originally constructed in 1968. The structure has a finished basement with a sump pump and remnants of an older propane heating system that is no longer in use. It appears the pump directs collected water through a hose to the exterior portion of the Subject Property.
- The storage structure is not a completely finished structure and is currently used to store old equipment. It appears that the structure was originally built for a recreational vehicle park along with the water and electrical utility stations located north of the building.
- Two billboard towers are located along the southern border of the Subject Property. The billboards provide advertising to vehicles traveling along Interstate-80. Electrical utilities are provided to each billboard.
- Five pole-mounted transformers (one by the southern border and four near the real estate office) were observed on the Subject Property. The transformers appear to be newer and in good condition. Three of the five transformers were labeled to be non-PCB. The two without an observed label appeared to be similar in type and construction to the ones with the non-PCB label.
- Most of the site is undeveloped. Asphalt rubble and other construction debris was observed on the southern portion and appears to have been dumped there after an asphalt road was demolished.
- No regulatory sites associated with the Subject Property were identified in the EDR report.
- The following regulatory listings were identified within the Approximate Minimum Search Distances in the databases searched by EDR: seven Nevada State Hazardous Waste (SHWS) sites, two NV leaking underground storage tank (LUST) sites, five Nevada underground storage tank (UST) sites, two Nevada aboveground storage tank (AST) sites, three US Brownfields sites, and one RCRA Non-Generator No-Longer-Regulated (NonGen/NLR) site.

6.2 Historical Recognized Environmental Conditions

No historical recognized environmental conditions were found for the Subject Property.

6.3 Controlled Recognized Environmental Conditions

No controlled recognized environmental conditions were found for the Subject Property.

6.4 Recognized Environmental Conditions

Two recognized environmental conditions were found for the Subject Property:

- The drainage ditch located on the eastern portion of the Subject Property appears to be contaminated with petroleum hydrocarbons. In addition, a review of regulatory sites in the vicinity of the Subject Property indicates that surface water from multiple former

service stations to the east and south flows directly into the drainage ditch and historically, fuel and contaminated water have impacted the ditch. With groundwater estimated to be between 10 and 15 feet below ground surface, a possibility exists that previous spills to the ditch may have impacted groundwater beneath the Subject Property.

- A MTBE plume emanating from the adjacent Mountain Store site to the east appears to have migrated below the Subject Property sometime between 2001 and 2004. Although a “No Further Action” letter has been issued by NDEP for the site, a possibility exists that MTBE may still be in the groundwater below the Subject Property.

6.5 Conclusions

McGinley has performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E 1527-13 of the property addressed at 1222 6th Street in Wells, Nevada, the property. Any exceptions to, or deletions from, this practice are described in Section 7 of this report.

Upon conclusion of our Phase I ESA, and based on the information reviewed, this assessment has revealed no evidence of recognized environmental conditions or controlled recognized environmental conditions in connection with the Subject Property except as follows:

- The drainage ditch located on the eastern portion of the Subject Property appears to be contaminated with petroleum hydrocarbons. In addition, a review of regulatory sites in the vicinity of the Subject Property indicates that surface water from multiple former service stations to the east and south flows directly into the drainage ditch and historically, fuel and contaminated water have impacted the ditch. With groundwater estimated to be between 10 and 15 feet below ground surface, a possibility exists that previous spills to the ditch may have impacted groundwater beneath the Subject Property.
- A MTBE plume emanating from the adjacent Mountain Store site to the east appears to have migrated below the Subject Property sometime between 2001 and 2004. Although a “No Further Action” letter has been issued by NDEP for the site, a possibility exists that MTBE may still be in the groundwater below the Subject Property.

Based on the information reviewed for this assessment, McGinley is of the opinion that additional investigations at the Subject Property are warranted at this time. Further, if the building is to be demolished in the future, a survey of the building materials for asbestos is required to be conducted prior to demolition.

7. LIMITATIONS

7.1 General

The conclusions and recommendations presented above are based upon the agreed scope of work outlined in the above report. McGinley and Associates, Inc. makes no warranties or guarantees as to the accuracy or completeness of information obtained from others. It is possible that information exists beyond the scope of this investigation. Additional information, which is not available to McGinley and Associates, Inc. at the time of writing the report, may result in a modification of the conclusions and recommendations presented. The services performed by McGinley and Associates, Inc. have been conducted in a manner consistent with the level of care ordinarily exercised by members of our profession currently practicing under similar conditions. This report is not a legal opinion, but may under certain circumstances be prepared at the direction of counsel, may be in anticipation of litigation, and may be classified as an attorney-client communication or as an attorney work product.

This report has been prepared for the sole use of the addressee(s) of this report, and cannot be released without consent from McGinley & Associates Inc. If a third party relies on the information provided in this report, McGinley and Associates, Inc. accepts no responsibility for damages suffered by the third party as a result of reliance of information contained in this report, and that nothing contained in this report shall create a contractual relationship or cause the third party to bring suit against McGinley & Associates, Inc.

7.2 Data Gaps

The following data gaps were encountered during the course of this Phase I ESA:

- Historical information found for the Subject Property may have exceeded five-year intervals. This data gap is not considered significant as specific use of the property and adjoining properties appears unchanged during the period of time that exceeded five years.
- Past owners were not available within reasonable time and/or cost constraints for interview for this report. However, based on information obtained from EDR, Elko County records, and other interviews, this data gap is not considered significant since it is likely all information obtained would be duplicative of information obtained from other sources.

8. SIGNATURES OF ENVIRONMENTAL PROFESSIONALS

We certify that, to the best of our knowledge and belief, this Phase I ESA has been prepared and reviewed under the guidance of McGinley staff meeting the definition of Environmental Professionals (EP), as defined in 40 CFR§312.10(b). McGinley EPs have specific qualifications based on education, training, and experience to assess a property of this nature, history, and setting. McGinley has developed and performed all appropriate inquiries in conformance with the standards and practices set forth in 40 CFR Part 312. Resumes of the environmental professionals utilized in performance of this Phase I ESA are attached in Appendix H.

Respectfully Submitted:

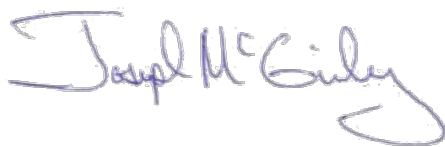
McGinley and Associates, Inc.

A handwritten signature in blue ink, appearing to read "Brett Bottenberg".

Brett Bottenberg, P.E., C.E.M. #1690, Exp. 10/07/2019
Sr. Project Manager

Reviewed by:

I hereby certify that I am responsible for the services described in this document and for the preparation of this document. The services described in this document have been provided in a manner consistent with the current standards of the profession, and to the best of my knowledge, comply with all applicable federal, state and local statutes, regulations and ordinances.

A handwritten signature in blue ink, appearing to read "Joseph McGinley".

Joseph P. McGinley, P.E., P.G., C.E.M.
Principal

9. REFERENCES

ASTM, Standard Practice for Environmental Site Assessments: Phase I Environmental Site Assessment Process, ASTM E 1527-13.

ASTM Standard Guide for Vapor Encroachment Screening on Property Involved in Real Estate Transactions, ASTM E 2600-15.

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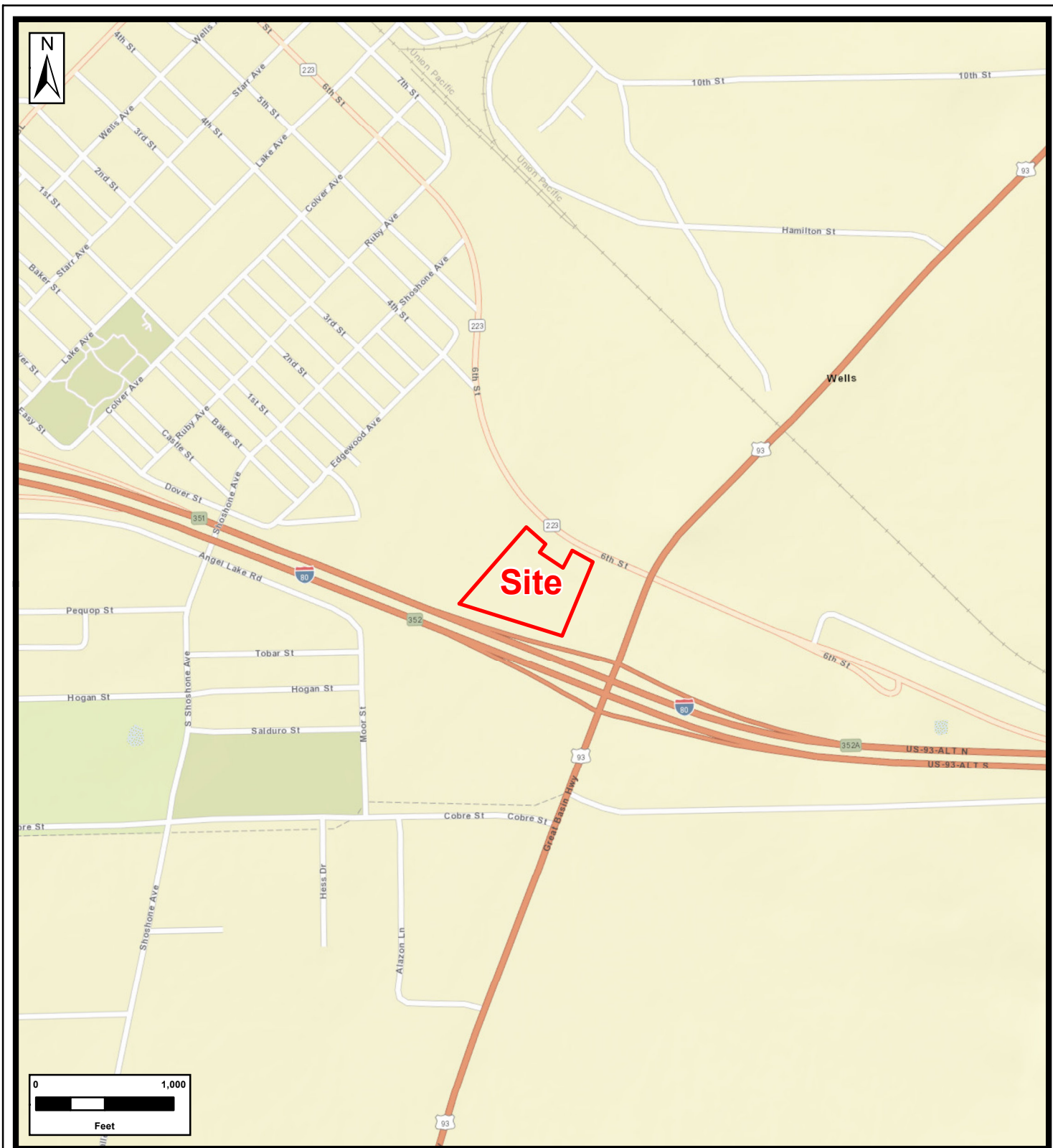


FIGURE 1

TITLE:
PROJECT LOCATION MAP
 -SHOWING-
CITY OF WELLS MIXED USE
REDEVELOPMENT SITE 1
1222 6TH ST.
WELLS, NV

JOB NO.:
BRN048

DATE:
5/23/2018

McGinley & Associates
 Environmental Engineering and Science
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FILE:
Fig 1 - Project Location Map

COORDINATE SYSTEM:
NAD 1983 UTM Zone 11N

REF.	DESIGNED	BB	CHECKED	BB	REVISION:
	DRAWN	HC	APPROVED	BB	



FIGURE 2

TITLE:

**SITE MAP
-SHOWING-
CITY OF WELLS MIXED USE
REDEVELOPMENT SITE 1
1222 6TH ST.
WELLS, NV**

JOB NO.:
BRN048

DATE:
5/23/2018



FILE:
Fig 2 - Site Map

COORDINATE SYSTEM:
NAD 1983 UTM Zone 11N

REF.	DESIGNED	BB	CHECKED	BB	REVISION:
	DRAWN	HC	APPROVED	BB	