

CITY CLAIM # \_\_\_\_\_

POLICE RPT. # \_\_\_\_\_



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(FOR OFFICIAL USE ONLY)

U.S. Mail Hand Delivery Other

### CLAIM AGAINST CITY OF NAPA

Please return to: City Clerk, 955 School Street, Napa, CA 94559 / Tel: (707)257-9503 Fax: (707)257-9534

CLAIM FORMS MUST BE FILLED OUT COMPLETELY. DO NOT LEAVE ANY BLANK SPACES. ADD ADDITIONAL SHEETS AS NECESSARY.

1. CLAIMANT'S NAME (PRINT): Hagstrom Properties, LLC
2. CLAIMANT'S ADDRESS: 870 Emerald Bay, Ste. 307 South Lake Tahoe, 96150  
(Street or P.O.Box Number) (City, State, Zip Code)
3. HOME PHONE: N/A WORK PHONE: 415-273-7473

IF YOUR CLAIM IS FOR UNDER \$10,000, STATE THE TOTAL ESTIMATED AMOUNT HERE \$ \_\_\_\_\_,  
AND SET FORTH THE CALCULATIONS SUPPORTING THE TOTAL AMOUNT OF YOUR CLAIM.

IF YOUR TOTAL CLAIM IS ESTIMATED AT \$10,000 OR MORE, CHECK THE BOX INDICATING  
WHETHER YOUR CLAIM WOULD BE ☐ A LIMITED CIVIL CASE (\$25,000 OR LESS), OR ☒ AN  
UNLIMITED CIVIL CASE.

4. ADDRESS TO WHICH NOTICES ARE TO BE SENT:  
IF DIFFERENT FROM LINES 1 AND 2 (PRINT) Kamran Javandel  
(NAME)  
3 Embarcadero Center, 12th Floor San Francisco, CA 94111  
(STREET or P.O. BOX NUMBER) (CITY, STATE, ZIP CODE)
5. DATE OF INCIDENT: 12/20/2023 TIME OF INCIDENT: \_\_\_\_\_  
LOCATION OF INCIDENT: See Written Statement Attached to this Form.
6. DESCRIBE THE INCIDENT OR ACCIDENT INCLUDING YOUR REASON FOR BELIEVING THE CITY IS LIABLE FOR  
YOUR DAMAGES: See Written Statement Attached to this Form.
7. DESCRIBE ALL INJURIES AND DAMAGES WHICH YOU BELIEVE YOU HAVE INCURRED AS A RESULT OF THE  
INCIDENT: See Written Statement Attached to this Form.
8. NAME(S) OF PUBLIC EMPLOYEE(S) CAUSING THE DAMAGES YOU ARE CLAIMING (IF APPLICABLE):  
See Written Statement Attached to this Form.
9. WITNESS: See Written Statement Attached to this Form. N/A  
(NAME) (ADDRESS) (TELEPHONE) (SIGNATURE)

Kamran Javandel  
SIGNATURE OF CLAIMANT (S)

12/05/2024  
Date

Any person who, with intent to defraud, presents any false or fraudulent claim may be punished by imprisonment, fine, or both.  
Note: Most claims must be filed within 180 days of incident. See Government Code Section 900 et seq.

# Allen Matkins

Allen Matkins Leck Gamble Mallory & Natsis LLP  
Attorneys at Law  
Three Embarcadero Center, 12<sup>th</sup> Floor | San Francisco, CA 94111-4074  
Telephone: 415.837.1515 | Facsimile: 415.837.1516  
www.allenmatkins.com

Kamran Javandel  
E-mail: [kjavandel@allenmatkins.com](mailto:kjavandel@allenmatkins.com)  
Direct Dial: 415.273.7473 File Number: 393682.00001/4891-1805-7725.10

## **Via Messenger and FedEx**

December 5, 2024

City of Napa  
955 School Street  
Napa CA 94559


**Re: Claims of Hagstrom Properties, LLC against City of Napa**

To Whom It May Concern:

Enclosed is a claim by Hagstrom Properties, LLC against the City of Napa pursuant to the California Government Claims Act, Government Code Section 810 *et seq.*

Please call me if you wish to discuss the claims.

Very truly yours,



Kamran Javandel

KJ

cc: Edward Firestone

City of Napa  
December 5, 2024

Page 2

**TO THE CITY OF NAPA:**

You are hereby notified that HAGSTROM PROPERTIES, LLC claims damages from the CITY OF NAPA.

**1. Name and Address of Claimant**

Hagstrom Properties, LLC  
c/o Michael Kirchner, Registered Agent  
870 Emerald Bay Road, Ste. 307  
South Lake Tahoe, CA 96150

**2. Address to Which Notices Should Be Sent**

Kamran Javandel  
Allen Matkins Leck Gamble Mallory & Natsis LLP  
3 Embarcadero Center, 12th Floor  
San Francisco, California 94111-4074  
(415) 273-7473

**3. Date, Place, and Other Circumstances of the Occurrence or Transaction**

Hagstrom Properties, LLC ("Hagstrom") owns a 2.6-acre parcel of land in downtown Napa, California, bounded by Polk Street, Seminary Street, Clay Street, and Jefferson Street (the "Hagstrom Property"). From approximately 1960 to 2003, dry cleaning businesses using the name Dow Cleaners leased and conducted dry cleaning operations on a portion of the Hagstrom Property, with the address 1634 Clay Street.

Since 2002, under the oversight of the San Francisco Bay Regional Water Quality Control Board ("RWQCB"), Hagstrom has been performing investigation, mitigation, and remediation of potential releases of dry cleaner chemicals, including but not limited to tetrachloroethylene ("PCE") and its breakdown products (collectively referred to herein as "Dry Cleaner Chemicals"), in soil, soil gas, air, and groundwater at and near the Hagstrom Property at significant expense.

In 2022, the Blue Oak School ("BOS") began building a Middle School at 1455 Polk Street in Napa ("BOS Property"). In a November 2022 letter to Hagstrom, BOS stated that Dry Cleaner Chemicals had been detected on the BOS Property. BOS demanded that Hagstrom pay certain costs associated with the presence of Dry Cleaner Chemicals on the BOS Property. Hagstrom believed Dry Cleaner Chemicals on the BOS Property could have originated from an on-site source and promptly conducted an environmental investigation to determine the likely sources.



City of Napa  
December 5, 2024

Page 3

On behalf of Hagstrom, Trinity Source Group, Inc. ("Trinity") conducted a soil, soil vapor, and groundwater assessment on and near the BOS Property to identify the sources and extent of Dry Cleaner Chemicals on the BOS Property. Trinity summarized its findings in its *Blue Oak Middle School Property Investigation Report* dated December 20, 2023 ("Trinity Report"). The Trinity Report concluded that PCE was carried to and released at and around the BOS Property from leaking sewer pipes. (See Exhibit A, PCE Sub-Slab and Soil Vapor Concentration Extended Map, from Trinity Report.) It states:

"Investigation data strongly indicate that releases of PCE from sanitary sewer facilities into the environment took place in the following locations in the Study Area:

- The sanitary sewer (abandoned and newer) lines in front of the former dry cleaner.
- The sanitary sewers at the corner of Polk and Seminary Streets.
- The former combined sanitary sewer and storm sewer in the center of Seminary Street (now solely a storm sewer), the newer sanitary sewer on the western side of Seminary Street, and associated laterals.
- Possibly also beneath the City of Napa CSB [Community Services Building]."

This distribution of Dry Cleaner chemicals in the environment is outside and well beyond the area that would otherwise have been impacted in the absence of the sewer releases. Napa Sanitation District ("NapaSan") originally owned and operated the leaking sewer pipes as part of a combined sanitary/storm sewer system in the vicinity of Dow Cleaners and the BOS Property. The City of Napa ("City") acquired the combined sanitary/storm sewer pipe system from NapaSan in 1968 for use as storm sewers. Thus, since 1968, the City has owned and controlled the leaking sewer pipes, and NapaSan owned and controlled the leaking sewer pipes before that time. Further investigation may reveal that, over time, Dry Cleaner Chemicals were released from leaking or otherwise failed sewer pipes owned and operated at various times by the City and NapaSan at other locations along the path to wherever these sewers eventually lead.

Based on the findings and conclusions of the December 20, 2023 Trinity Report, Hagstrom alleges that the City and NapaSan negligently and unreasonably owned and operated broken and/or otherwise damaged or improperly designed, constructed, maintained, or monitored sewer pipes, and that the City and NapaSan therefore, have caused or significantly exacerbated the releases and migration of Dry Cleaner Chemicals to and through soil, soil gas, and groundwater within the City of Napa, as generally described above.

City of Napa  
December 5, 2024

Page 4

Hagstrom's investigation, mitigation, and remedial activities are ongoing and the full extent of the Dry Cleaner Chemical impacts, investigation scope, remedial and mitigation activities, and associated damages are still unknown. Hagstrom therefore reserves the right to supplement, modify, or otherwise revise this claim with additional facts.

#### **4. General Description of Damage or Loss**

As a result of releases from leaking or otherwise failed sewer pipes owned and operated, at various times, by the City and NapaSan, Hagstrom has incurred, and will continue to incur, damages including but not limited to costs to investigate, remediate, mitigate, and otherwise address contamination resulting from Dry Cleaner Chemical releases from sewer pipes, costs to identify responsible parties, and loss of use and/or rental or other income from the Hagstrom Property. BOS has separately filed notices of its claims against the City and NapaSan (see Exhibit B and Exhibit C). Pursuant to an agreement between Hagstrom and BOS, BOS has assigned its claims against the City and NapaSan to Hagstrom (see Exhibit D). Accordingly, Hagstrom seeks compensation from the City and NapaSan in its own right, and on behalf of BOS. Moreover, Hagstrom anticipates that it may incur additional as yet unknown damages, including those stemming from third party claims, as a result of releases from leaking or otherwise failed sewer pipes owned and operated at various times by the City and NapaSan.

Although Hagstrom is continuing to learn relevant facts, and therefore reserves the right to identify additional consistent facts and claims, to the extent Hagstrom's claims are not informally resolved prior to litigation, Hagstrom expects to assert claims against the City and NapaSan including but not limited to: (1) cost recovery under the Comprehensive Environmental Response, Compensation, and Liability Act ("CERCLA") 42 U.S.C. § 9601 *et seq.*; CERCLA § 107 and the California Hazardous Substances Account Act ("HSAA") § 79670; (2) contribution under CERCLA § 113(f) and HSAA § 79670; (3) declaratory relief under CERCLA § 113(g)(2); (4) injunctive relief under the Resource Conservation and Recovery Act ("RCRA") 42 U.S.C. § 6901 *et seq.*; RCRA § 7002; (5) equitable indemnity; (6) continuing nuisance under California Civil Code §§ 3479 and 3483; (7) continuing trespass under California Civil Code §§ 3479 and 3483; (8) negligence under California Government Code § 815.6; and (9) compensation for inverse condemnation under Article I, § 19 of the California Constitution.<sup>1</sup>

#### **5. Name and Addresses of Responsible Public Officers and Employees**

City and NapaSan officials, employees, representatives, and agents responsible for sewer design, construction, inspection, maintenance, and monitoring. City and NapaSan officials,

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<sup>1</sup> Hagstrom's potential claims under federal law are not subject to the California Government Claims Act, but Hagstrom nevertheless identifies such claims here in the interest of full disclosure.

City of Napa  
December 5, 2024

Page 5

employees, representatives, and agents responsible for compliance with environmental laws and regulations. The names of the specific persons are unknown to Hagstrom.

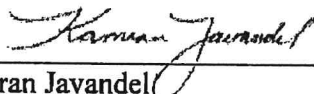
**6. Amount of Damages**

Hagstrom's claim for damages far exceeds \$10,000 and would be subject to unlimited civil jurisdiction in the Superior Court. Hagstrom has not completed its investigation of its claims. Further information may be revealed that further supports Hagstrom's claims or may lead to additional ones, and additional damages.

**7. Conclusion**

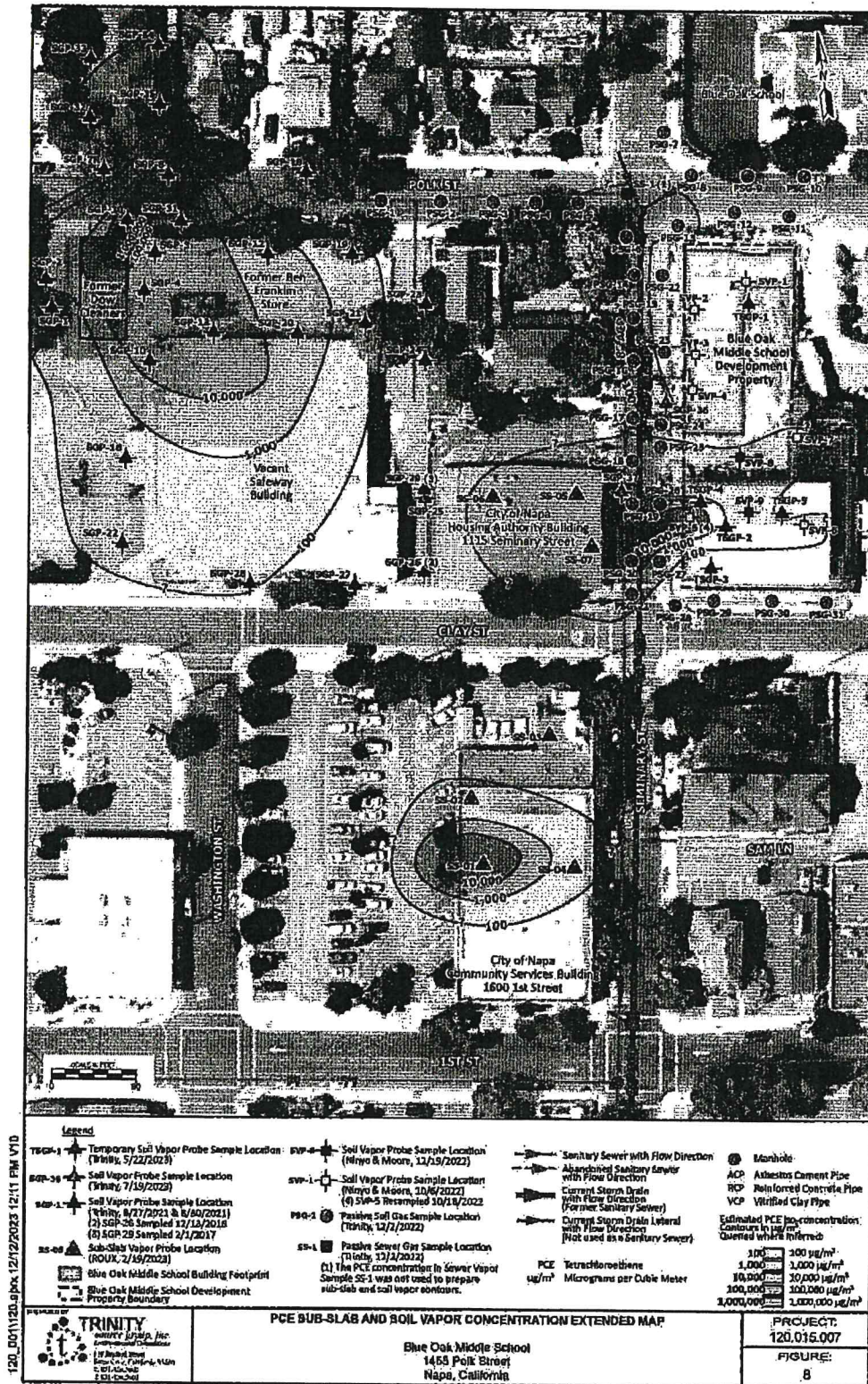
Hagstrom requests that this Claim be approved and that notice of approval be provided as required by law, within the time frames specified under California law.

Dated: December 5, 2024

  
\_\_\_\_\_  
Kamran Javandel  
Allen Matkins Leck Gamble Mallory & Natsis LLP  
Attorney for Hagstrom Properties, LLC



# EXHIBIT A



**Exhibit B**

**Exhibit B**

**-1--1-**



## DOWNEYBRAND

Robert P. Soran  
rsoran@downeybrand.com  
916.520.5364 Direct  
916.520.5764 Fax

Downey Brand LLP  
621 Capitol Mall, 18th Floor  
Sacramento, CA 95814  
916.444.1000 Main  
downeybrand.com

October 11, 2024

### VIA CERTIFIED MAIL

City Clerk  
955 School Street  
Napa, CA 94559

**Re: Claim Against the City of Napa - Government Code Section 905 *et seq.***

To the Clerk of the City of Napa:

This firm represents the Blue Oak School (the "School"). The purpose of this letter is to present a claim against the City of Napa (the "City") on behalf of the School. Pursuant to Government Code sections 905 and 910, the information relevant to the claim is provided below and in supplement to the City's standard *Claim Against City of Napa* form, which is attached hereto. The School is presenting this claim letter in accordance with Government Code section 905 *et seq.* and City of Napa Municipal Code Chapter 2.104.

### **Circumstances Giving Rise to the Claim / General Incident Description**

The School owns real property located at 1455 Polk Street/1120 Seminary Street, Napa, CA 94559 (the "Property") which is the site of the School's new middle school. During development of the new middle school, tetrachloroethylene ("PCE") was detected on the Property. The PCE had migrated onto and beneath the Property from the former Dow Cleaners, which operated at a shopping center owned by Hagstrom Properties, LLC ("Hagstrom"), located at 1634 Clay Street, Napa, CA 94559.

The former Dow Cleaners location, owned by Hagstrom, is currently an open cleanup program site under the jurisdiction and supervision of the San Francisco Bay Regional Water Quality Control Board ("Regional Water Board"). The project file for the Hagstrom site is listed on the State Water Resources Control Board's GeoTracker website under identification number SL0605536682.<sup>1</sup>

The Regional Water Board directed that Hagstrom, as the responsible party for the contamination, not only address the contamination on its own property but also investigate the extent to which the contamination emanating from Hagstrom's property affected other properties in the area, including the School Property.

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<sup>1</sup> See [https://geotracker.waterboards.ca.gov/profile\\_report?global\\_id=SL0605536682](https://geotracker.waterboards.ca.gov/profile_report?global_id=SL0605536682).

On December 6, 2023, the School became aware that Hagstrom is alleging that there were one or more releases of PCE from the City-owned former combined sanitary sewer and storm sewer, which the City now operates only as a storm sewer. Hagstrom submitted a report detailing these allegations to the Regional Water Board titled *Blue Oak Middle School Property Investigation Report*, dated December 20, 2023 ("Hagstrom Report").<sup>2</sup> In particular, the Hagstrom Report alleges, "These releases appear to have occurred in the current NapaSan sanitary sewer pipes, the NapaSan former combined sanitary/storm sewer pipes, and, due to residual PCE possibly remaining in the system, the City of Napa storm drain pipe in the middle of Seminary Street after the City took possession of the former combined sanitary/storm sewer pipe in approximately 1968."<sup>3</sup>

Specifically, the Hagstrom Report stated that elevated levels of PCE in soil "strongly suggest the likelihood that one or more releases of PCE as DNAPL occurred at depth beneath Seminary Street from the combined storm drain/sanitary sewer, the sanitary sewer, or both, or from a sewer lateral connected to one or both of these facilities . . ."<sup>4</sup> Moreover, the Hagstrom Report noted that soil vapor data indicated that there maybe four separate soil vapor plumes originating in various locations along the sanitary sewer and/or storm drain lines that were previously used for dual purpose storm and sanitary sewer.<sup>5</sup> The Hagstrom report also concludes that shallow groundwater has been impacted by PCE in a manner that "generally coincides with the depth of the sewer facilities . . ., suggesting the likelihood of sewer leaks or failures in these areas."<sup>6</sup>

Based on the foregoing, the School presents this claim for damages against the City on the basis that the City owned, operated, and/or maintained the former combined sanitary sewer and storm system (which is now operated solely as the storm drain) located adjacent to the School's Property and its failure to properly maintain the system caused an independent release of PCE and/or caused or contributed to the spread of PCE from Hagstrom's property onto and beneath the School's real property.

#### **General Description of the Injury, Damage, or Loss Incurred**

As a result of the migration of PCE onto and beneath the School's real property, the School has incurred significant costs and damages in response to the contamination, and the School is subject to ongoing obligations related to the damages to its real property. These costs include, but are not limited to the costs of additional site investigation, damages for changes to, and delays in the construction of the middle school property, and the installation of environmental and safety measures to mitigate the impacts of PCE at and underlying the School's property.

The costs and damages to the School are continuing, and is therefore subject to change in an amount to be determined.

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<sup>2</sup> The Hagstrom Report is available on the State Water Resources Control Board's GeoTracker database, [https://geotracker.waterboards.ca.gov/profile\\_report?global\\_id=SL0605536682](https://geotracker.waterboards.ca.gov/profile_report?global_id=SL0605536682).

<sup>3</sup> *Id.* at p. 41.

<sup>4</sup> *Id.* at p. 30.

<sup>5</sup> *Id.* at p. 32.

<sup>6</sup> *Id.* at p. 31.

**Name(s) of Public Employee(s) Causing the Injury, Damage, or Loss**

The School does not have all of the specific information at this time to name any public employee(s) causing the injury, damage, or loss. (Gov. Code, § 910(e).) The School reserves the right to supplement its claim with additional information, if it becomes known.

**Names of Witnesses**

Other than the information referenced in the Hagstrom Report, the School does not have the specific information at this time to name witnesses. The School reserves the right to supplement its claim with additional information, if it becomes known.

**Amount Claimed**

Pursuant to the Government Code, "[i]f the amount claimed exceeds ten thousand dollars (\$10,000), no dollar amount shall be included in the claim. However, it shall indicate whether the claim would be a limited civil case." (Gov. Code, § 910(f).) The School is claiming damages in excess of \$10,000, and therefore, does not include a specific dollar amount in this letter. Based on the amount in dispute, this would not be a limited civil case.

The School reserves all rights to supplement this claim as additional information becomes known, and reserves all rights to pursue available legal remedies that are or may become available after presentation of this claim, including but not limited to initiating legal proceedings, to recover costs from the City relating to the migration of PCE contamination.

Please return a conformed copy of this claim (copy enclosed) to this office in the enclosed postage paid return envelope.

Should you have any questions regarding this claim, please contact the undersigned at the telephone number listed above.

Thank you for your attention to this matter.

Sincerely,

DOWNEY BRAND LLP



Robert P. Soran

Enclosure (City of Napa Claim Form)



CITY CLAIM # \_\_\_\_\_

POLICE RPT. # \_\_\_\_\_



DATE STAMP RECEIVED

(FOR OFFICIAL USE ONLY)  
U.S. Mail    Hand Delivery    Other

### CLAIM AGAINST CITY OF NAPA

Please return to: City Clerk, 955 School Street, Napa, CA 94559 / Tel: (707)257-9303 Fax: (707)257-9534

CLAIM FORMS MUST BE FILLED OUT COMPLETELY. DO NOT LEAVE ANY BLANK SPACES. ADD ADDITIONAL SHEETS AS NECESSARY.

1. CLAIMANT'S NAME (PRINT): Blue Oak School
2. CLAIMANT'S ADDRESS: 1436 Polk Street Napa, CA 94559  
(Street or P.O. Box Number) (City, State, Zip Code)
3. HOME PHONE: N/A WORK PHONE: 916-520-6364

IF YOUR CLAIM IS FOR UNDER \$10,000, STATE THE TOTAL ESTIMATED AMOUNT HERE \$ \_\_\_\_\_  
AND SET FORTH THE CALCULATIONS SUPPORTING THE TOTAL AMOUNT OF YOUR CLAIM.

IF YOUR TOTAL CLAIM IS ESTIMATED AT \$10,000 OR MORE, CHECK THE BOX INDICATING  
WHETHER YOUR CLAIM WOULD BE ☐ A LIMITED CIVIL CASE (\$25,000 OR LESS), OR ☒ AN  
UNLIMITED CIVIL CASE.

4. ADDRESS TO WHICH NOTICES ARE TO BE SENT:  
IF DIFFERENT FROM LINES 1 AND 2 (PRINT) Robert P. Soran, Esq.  
(NAME)  
621 Capitol Mall, 18th Floor Sacramento, CA 95814  
(STREET or P.O. BOX NUMBER) (CITY, STATE, ZIP CODE)
5. DATE OF INCIDENT: 12/06/2023 TIME OF INCIDENT: N/A  
LOCATION OF INCIDENT: 1455 Polk Street/1120 Seminary Street, Napa, CA 94559 (at and adjacent to)
6. DESCRIBE THE INCIDENT OR ACCIDENT INCLUDING YOUR REASON FOR BELIEVING THE CITY IS LIABLE FOR  
YOUR DAMAGES: See Letter Attached to this Form.
7. DESCRIBE ALL INJURIES AND DAMAGES WHICH YOU BELIEVE YOU HAVE INCURRED AS A RESULT OF THE  
INCIDENT: See Letter Attached to this Form.
8. NAME(S) OF PUBLIC EMPLOYEE(S) CAUSING THE DAMAGES YOU ARE CLAIMING (IF APPLICABLE):  
See Letter Attached to this Form.
9. WITNESS: See Letter Attached to this Form. N/A  
(NAME) (ADDRESS) (TELEPHONE) (SIGNATURE)

SIGNATURE OF CLAIMANT (S)

10/11/2024  
Date

Any person who, with intent to defraud, presents any false or fraudulent claim may be punished by imprisonment, fine, or both.  
Note: Most claims must be filed within 180 days of incident. See Government Code Section 900 et seq.

Revised 08/11/2015

Exhibit B

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DOWNEY BRAND LLP

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**PROOF OF SERVICE**

**STATE OF CALIFORNIA, COUNTY OF SACRAMENTO**

At the time of service, I was over 18 years of age and not a party to this action. I am employed in the County of Sacramento, State of California. My business address is 621 Capitol Mall, 18th Floor, Sacramento, CA 95814.

On October 11, 2024, I served true copies of the following document(s) described as below on the interested parties in this action as follows:

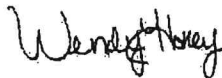
**BLUE OAKS SCHOOL'S CLAIM FORM AND LETTER FOR CITY OF NAPA**

**BY CERTIFIED MAIL – RETURN RECEIPT REQUESTED:** I enclosed the document(s) in a sealed envelope or package addressed to the persons at the addresses listed in the Service List and placed the envelope for collection and mailing via Certified Mail, Return Receipt Requested, following our ordinary business practices. I am readily familiar with the practice of Downey Brand LLP for collecting and processing correspondence for mailing. On the same day that the correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid. I am a resident or employed in the county where the mailing occurred. The envelope was placed in the mail at Sacramento, California.

City Clerk  
955 School Street  
Napa, CA 94559

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on October 11, 2024, at Sacramento, California.

  
Wendy Honey

**Exhibit C**



## **DOWNEYBRAND**

Robert P. Soran  
rsoran@downeybrand.com  
916.520.5364 Direct  
916.520.5764 Fax

Downey Brand LLP  
621 Capitol Mall, 18<sup>th</sup> Floor  
Sacramento, CA 95814  
916.444.1000 Main  
downeybrand.com

October 6, 2023

### **VIA CERTIFIED MAIL**

Napa Sanitation District  
Attn: Board of Directors  
1515 Soscol Ferry Road  
Napa, CA 94558

**Re: Claim Against Napa Sanitation District - Government Code Section 905 *et seq.***

**To the Napa Sanitation District:**

This firm represents the Blue Oak School ("School"). The purpose of this letter is to present a claim against the Napa Sanitation District ("NapaSan") on behalf of the School. Pursuant to Government Code sections 905 and 910, the information relevant to the claim is provided below. The School is presenting this claim letter in accordance with Government Code section 905 *et seq.*

**1. The Claimant Is:**

Blue Oak School  
1436 Polk Street  
Napa, CA 94559

**2. Notices Should be Sent to:**

Robert P. Soran  
Alexandra L. Lizano  
Downey Brand LLP  
621 Capitol Mall, 18<sup>th</sup> Floor  
Sacramento, CA 95814

**3. The Circumstances Giving Rise to the Claim are as Follows:**

The School owns property located at 1455 Polk Street, Napa, CA 94559 ("Property") which is the site of the School's future middle school. During development of the new middle school, tetrachloroethylene ("PCE") was detected on the Property. The PCE had migrated onto and beneath the Property from the former Dow Cleaners, which operated at a shopping center owned by Hagstrom Properties, LLC ("Hagstrom"), located at 1634 Clay Street, Napa, CA 94559.

The former Dow Cleaners location, owned by Hagstrom, is currently an open cleanup program site under the jurisdiction and supervision of the San Francisco Bay Regional Water Quality Control Board ("Regional Water Board"). The project file for the Hagstrom site is listed on the State Water Resources Control Board's GeoTracker website under identification number SL0605536682.<sup>1</sup>

The Regional Water Board directed that Hagstrom, as the responsible party for the contamination, not only address the contamination on its own property but also investigate the extent to which the contamination emanating from Hagstrom's property affected other properties in the area, including the School Property. Hagstrom conducted further investigation and alleges that the sanitary sewer main lines are a "likely conduit" contributing to the spread of PCB from Hagstrom's property to the School's Property.

On May 11, 2023, a letter sent on behalf of the City of Napa to Regional Water Board noted, "Dry cleaning chemicals associated with the Former Dow Cleaners Site are known to have migrated offsite, including through sewer lines owned and operated by the Napa Sanitation District, and have impacted neighboring properties including the Hotel Napa Valley located at 1556 Polk Street and the Blue Oak Middle School (BOMS) located at 1436 Polk Street."

Based on the foregoing, the School presents this claim for damages against NapaSan on the basis that releases from NapaSan's sanitary sewer system located adjacent to the School's Property and its failure to properly maintain the sanitary sewer system caused and/or contributed to the spread of PCB from Hagstrom's property onto and beneath the School's property.

**4. General Description of the Indebtedness, Obligation, Injury, Damage, or Loss Incurred so far as It may be Known at the Time of Presentation of the Claim:**

As a result of the migration of PCB onto and beneath the School's property, the School has incurred significant costs and damages in response to the contamination. These costs include, but are not limited to the costs of additional site investigation, damages for changes to, and delays in the construction of the middle school, and the installation of environmental and safety measures to mitigate the impacts of PCB at and underlying the School's property.

The costs and damages the School are continuing, and is therefore subject to change in an amount to be determined.

**5. The Name or Names of the Public Employee or Public Employees Causing the Injury, Damage, or Loss, if Known:**

The School does not have all of the specific information at this time to name any public employee(s) causing the injury, damage, or loss. (Gov. Code, § 910(e).) The School reserves the right to supplement its claim with additional information, if it becomes known.

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<sup>1</sup> [https://geotracker.waterboards.ca.gov/profile\\_report?global\\_id=SL0605536682](https://geotracker.waterboards.ca.gov/profile_report?global_id=SL0605536682).

**DOWNEY BRAND**

6. The Amount Claimed:

Pursuant to the Government Code, "[i]f the amount claimed exceeds ten thousand dollars (\$10,000), no dollar amount shall be included in the claim. However, it shall indicate whether the claim would be a limited civil case." (Gov. Code, § 910(f).) The School is claiming damages in excess of \$10,000, and therefore, does not include a specific dollar amount in this letter. Based on the amount in dispute, this would not be a limited civil case.

The School reserves all rights to supplement this claim as additional information becomes known, and reserves all rights to pursue available legal remedies that are or may become available after presentation of this claim, including but not limited to initiating legal proceedings, to recover costs from NapaSan relating to the migration of PCE contamination.

Please return a conformed copy of this claim (copy enclosed) to this office in the enclosed postage paid return envelope.

Thank you for your attention to this matter.

Sincerely,

DOWNEY BRAND LLP



Robert P. Soran

enclosures

cc: Jonathan Fulk, Blue Oak School  
Steven H. Goldberg, Esq., Downey Brand LLP  
Alexandra L. Lizano, Esq., Downey Brand

1189314

**DOWNEY BRAND**



DOWNEY BRAND LLP

**PROOF OF SERVICE**

**STATE OF CALIFORNIA, COUNTY OF SACRAMENTO**

At the time of service, I was over 18 years of age and not a party to this action. I am employed in the County of Sacramento, State of California. My business address is 621 Capitol Mall, 18th Floor, Sacramento, CA 95814.

On October 6, 2023, I served true copies of the following document(s) described as on the interested parties in this action as follows:

**BLUE OAKS SCHOOL'S CLAIM AGAINST NAPA SANITATION DISTRICT -  
GOVERNMENT CODE SECTION 905 *et seq.***

**BY CERTIFIED MAIL - RETURN RECEIPT REQUESTED:** I enclosed the document(s) in a sealed envelope or package addressed to the persons at the addresses listed in the Service List and placed the envelope for collection and mailing via Certified Mail, Return Receipt Requested, following our ordinary business practices. I am readily familiar with the practice of Downey Brand LLP for collecting and processing correspondence for mailing. On the same day that the correspondence is placed for collection and mailing, it is deposited in the ordinary course of business with the United States Postal Service, in a sealed envelope with postage fully prepaid. I am a resident or employed in the county where the mailing occurred. The envelope was placed in the mail at Sacramento, California.

Napa Sanitation District  
Attn: Board of Directors  
1515 Soscol Ferry Road  
Napa, CA 94558

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed on October 6, 2023, at Sacramento, California.

  
Becky Lutzman

**Exhibit D**

## EXHIBIT A

### ASSIGNMENT OF CLAIMS

THIS ASSIGNMENT OF CLAIMS ("Assignment") is entered into by and between BLUE OAK SCHOOL, a California nonprofit corporation ("School"); and HAGSTROM PROPERTIES, LLC, a California limited liability company ("Hagstrom") (each individually, a "Party" and together, the "Parties") and is effective as of the date it is executed on behalf of the School, below ("Effective Date").

In consideration of the mutual promises and obligations contained in this Assignment and other good and valuable consideration, the receipt, sufficiency, and adequacy of which is hereby acknowledged, the Parties agree as follows:

1. Assignment of Claims. The School hereby assigns to Hagstrom any and all claims of any kind whatsoever which the School may have against any third party related, directly or indirectly, to the release or alleged release of tetrachloroethylene (sometimes referred to as perchloroethylene or "PCE") and/or its breakdown products at or from the real property located at 1634 Clay Street, Napa, California 94559, however released into the environment including from sewer pipes or otherwise, and whether known or unknown, suspected or unsuspected ("Claims").

2. Assumption of Claims. The School agrees that Hagstrom may, at any time, in its own name and for its own benefit, bring suit upon, prosecute, collect, settle, compromise, satisfy, and/or release the Claims in its sole discretion. The School shall have no right to consent to, approve, direct, or participate in any of the Claims, and shall have no right to receive any settlement funds, damages, or awards granted to Hagstrom in connection with the same.

3. Limitations on Assignment. Hagstrom shall not name the School as a party to any litigation or administrative proceeding in pursuit of the assigned Claims, unless absolutely necessary to pursue the assigned Claims, and in such case only with the School's advance written consent, which consent shall not be unreasonably withheld. The School acknowledges that Hagstrom cannot control whether third parties may seek to name the School as a party in such proceedings, and Hagstrom shall have no obligation to object to or seek to prevent such occurrence. The School will reasonably cooperate with Hagstrom in Hagstrom's pursuit of or defense of the assigned Claims assigned to Hagstrom, provided that Hagstrom will pay all of the School's reasonable and adequately documented costs and expenses for such cooperation, which shall include, but not be limited to, reimbursement for time and expenses incurred for the School and its trustees, employees, agents, contractors, consultants, and attorneys involved in such cooperation. The cooperation shall not be deemed to be, nor require, waiver of the attorney-client privilege, work product doctrine, or other applicable privilege or confidentiality protection by the Parties, which are expressly reserved.

4. No Encumbrances Without Prior Authorization. In exercising its rights under the assignment of Claims set forth by this agreement, Hagstrom shall not enter into any settlement, compromise, or release of Claims that in any way, directly or indirectly, creates any obligation or encumbrance upon the School, the School middle school property, or the School's lower school

EXHIBIT A.

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Exhibit D

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