Exhibit 7

-----Original Message-----From: Ward, Ron (PWA) Sent: Thursday, December 29, 2005 12:11 PM To: 'Mark Brest van Kempen'; Osalbo, Faustino Jun Cc: Brooks, Desley; Nadel, Nancy; Uzegbu, Marcel; Estes, Lesley; Schwarz, Alison; 'klichten@waterboards.ca.gov'; 'friendsof2creeks@yahoogroups.com'; 'nannystu@pacbell.net'; Neary, Mike; Office of the Mayor; 'gantenbein@n-h-i.org'; 'chiye@cazuma.com'; Lau, David W; 'jean@jeanquan4council.org'; 'cityochang@aol.com'; 'Barbara Sutherland '; 'rrcollins@n-h-i.org'; Mirsaeidi, Emad; 'nancy peterson'; Movassaghi, Maziar; Cappio, Claudia; 'McGill, Phillip'; 'tcaspers@cctimes.com'; 'dchapman@desilvagroup.com'; 'phelseth@desilvagates.com'; 'Kent Peyton' Subject: RE: Chimes Creek turbidity and pumping

Mark,

Thank you for your e-mail dated 12/28/05 expressing your concerns for Chimes Creek.

We've had a series of storms pass over in the last 12 days, with rainfall measured at 7.8 inches since 12/17/05. The Leona Quarry development project is actively mitigating the effects of these storms by hydroseeding the non-vegetated slopes and then covering the hydroseeded areas with erosion control fabric and straw waddles. After the recent storms, additional measures have been taken to prevent erosion and sediment transport to Chimes Creek. These additional measures include installation of sheet plastic over some slopes to collect rain water and discharge it directly into the storm drains, and adjustment and strengthening of the detention pond discharge structure.

We are continuing to work with the developer of the project to identify and implement further measures to prevent erosion of the soil at the project site.

The detention pond is utilized to store water temporarily before discharging to Chimes Creek. This allows the heavier soil particles to settle out of the water before being released to the storm drain. Also, the developer is filtering the stored water and releasing it to the storm drain with pumps at a rate of about 300 gallons per minute. The detention pond does have limits to its effectiveness. Flood control capacity needs to be maintained in the event of a storm that exceeds the capacity of the storm drain pipe crossing beneath Freeway 580, leading to Chimes Creek. To maintain this capacity, the detention pond is designed to drain water from an outfall structure in the pond after about six feet of water has been stored in the pond. This flood control safety feature supercedes the requirement for turbidity standards in the released water.

The developer for the Leona Quarry project is filtering and pumping clean water from the pond as fast as they can to make room in the pond for the next storm. This should have a beneficial effect on Chimes Creek by reducing the peak flows during storms and extending the duration of the storm water release. When heavy rains fall on the area, the filters cannot keep up with the inflowing storm water, and untreated, turbid water is allowed to overflow the weir in the discharge structure. The height of this weir has been carefully adjusted, following the recommendations of the project hydrologist, to maximize the storage capacity of the detention pond and minimize the release of turbid water.

Thank you for your patience regarding your question about the Creek Protection Permit for the Ridgemont Basin portion of the development. We have conducted an investigation into the history of this permit, with the following findings:

* The Community Economic Development Agency (CEDA) reviewed the developer's request for a Creek Determination in February, 2005.

* CEDA officials determined in April, 2005 that a Category 2 permit was applicable to the work proposed by the developer.

* The Public Works Agency, Environmental Services Division, reviewed the permit application in May, 2005 and added the additional requirement that a Creek Protection Plan be prepared by the developer.

 The developer submitted the Creek Protection Plan on June 6, 2005.
On June 15, 2005 the Public Works Agency issued the Creek Protection Permit to the developer.

* The developer began work on the Ridgemont Basin portion of the project on July 17, 2005.

The developer for the Leona Quarry project has agreed to work with the property owners that may have suffered damages to their footbridges as a result of the storm water release on December 18, 2005. That effort is expected to commence during the month of January, 2006.

We will provide a response to your concerns about the sanitary sewer running along Chimes Creek in the near future, after further investigation.

Thank you again for reporting your concerns for Chimes Creek. The City of Oakland is committed to protecting the creek and maintaining the pristine environment we all enjoy.

Ronald Ward, P.E. Supervising Civil Engineer PWA Project Delivery Division (510) 238-6606 (510) 238-6633 (FAX) rgward@oaklandnet.com