

**DIVISION OF SPILL PREVENTION AND RESPONSE
CONTAMINATED SITES PROGRAM**

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File: 2601.38.081

November 15, 2006

O. Kraft & Son, Inc.
Jerry Pearson, President
c/o Jim Petersen
Karnopp, Petersen LLP Attorneys at Law
1201 NW Wall Street, Suite 300
Bend, Oregon 99701

Re: Waldo Center, ADEC Spill #2004250115401
Conditional Closure Determination

Dear Mr. Pearson:

The Alaska Department of Environmental Conservation, Contaminated Sites Program (ADEC), reviewed the administrative file for the diesel fuel release, assessment, and cleanup actions conducted at the Waldo Center. Based on this review, ADEC has determined that hazardous substance contamination to the soil and groundwater remains at the facility but it does not pose an unacceptable risk to human health or the environment, subject to site specific conditions outlined in this decision document.

Therefore, it is ADEC's decision that a conditional closure determination is approved. This letter summarizes the information considered in making this decision regarding the environmental status of this site.

Introduction

Site name and location:

Waldo Center
1600 Mill Bay Road
Kodiak, Alaska

Regulatory authority under which the site is being cleaned up:

This project was reviewed under the applicable regulatory authority in 18 AAC 75, Article 3, as amended through October 16, 2005.

Name and mailing address of current contact and/or responsible person:

Jerry Pearson, President
O. Kraft and Son, Inc.
c/o Jim Petersen
Karnopp, Petersen LLP, Attorneys at Law
1201 NW Wall Street, Suite 300
Bend, Oregon 99701-1936

Land Owner:

O. Kraft & Sons, Inc.

Background

Waldo Enterprises, LTD (Waldo) decommissioned four 5,000 gallon heating fuel underground storage tanks (USTs) and removed them from the property in 2001. The UST's were located behind the current Spenard Builders Supplies building near the loading ramp.

During the UST removal, fuel lines from the UST's to the boiler room, buried approximately 24 – 32 inches in depth, were uncovered and no contamination was found. All piping was exposed and all joints were checked for leaking. No odor was observed from the soil and the piping was removed and disposed. The remaining fuel in the tanks was pumped out. The UST's were drained, cleaned and disposed at the Kodiak Borough landfill.

In May of 2004, a Phase II Environmental Site Assessment was performed. Soil borings were screened with a PID and soil samples collected from depths up to 30 feet below the ground surface. One soil sample, from a depth of 20 feet exceeded the ADEC soil cleanup level for benzene. Waldo Enterprises was requested to conduct additional assessment to verify the extent of the remaining contamination.

Additional site assessment work was conducted during June, 2005. Infrastructure for the building and utilities limited, to some extent, locations that could be safely investigated. Even with these limitations, the nature and extent of the remaining contamination was adequately defined. The only contaminant of concern exceeding the ADEC soil cleanup level was Diesel Range Organics (DRO). This was estimated to be 10 – 25 feet below ground surface (bgs). Two samples (418 mg/kg and 559 mg/kg) exceeded the soil 'migration to groundwater' cleanup level of 230 mg/kg.

Groundwater was encountered at approximately 6.38 feet bgs. The groundwater sample from MW-4 exceeded ADEC cleanup levels for DRO (1.5mg/L) and RRO (1.1 mg/L). The analytical results were 16.2 mg/L & 24.3 mg/L DRO and 1.27 mg/L & 1.65 mg/L RRO. All monitoring wells were temporarily installed, and then decommissioned after sample collection.

The 2005 assessment found that the only contaminants of concern were DRO and RRO. DRO was detected above the ADEC soil cleanup level at the bottom of the excavation and on the power line side of the excavation near the groundwater surface. The groundwater sample taken at MW-4 exceeded the ADEC groundwater cleanup level for DRO and RRO.

Contaminated soil was not removed from the excavation because groundwater at 6.38 feet limited the depth of excavation. A live primary power line that potentially leaks voltage also prevented soil from being excavated within 2 feet of the line. Continued excavation of the soil was determined to be hazardous to life due to the proximity of the power line.

In-situ soil vapor extraction is not feasible due to the high groundwater elevation and the presence of volcanic ash and silt. The contamination was concentrated within a short radius around borehole #4 and there is low risk of contaminated groundwater affecting residents because the surrounding buildings are connected to the City of Kodiak water system. After analytical data showed the excavated soil was clean, it was used to backfill the excavation. The site is covered with an asphalt parking lot, limiting the infiltration of surface water through the remaining soil contamination.

Contaminants of Concern

The potential contaminants of concern in diesel fuel include:

- Benzene, toluene, ethylbenzene and xylenes (BTEX)
- Diesel range organics (DRO)
- Residual range organics (RRO)

However, during the 2005 site investigation work only DRO and RRO were detected in concentrations exceeding applicable ADEC soil or groundwater cleanup levels.

Pathway Evaluation

The human exposure pathways evaluated include: inhalation, ingestion of soil and water and dermal contact. The migration pathways considered include: migration to groundwater and/or surface water, and migration to indoor air. There are no ecological receptors on this site or immediately downgradient.

The residual concentrations of DRO and RRO that were detected in soil meet ADEC ingestion, dermal contact, and outdoor inhalation soil cleanup levels, and should not pose an unacceptable risk to human health. In addition, the residual soil contamination is at depth and below the groundwater level in the area.

The migration to groundwater pathway is complete as DRO and RRO were detected in the shallow aquifer, however the groundwater is not utilized as a drinking water source.

All the buildings in the area are required to be connected to the City of Kodiak public drinking water system. There are no downgradient receptors that would be exposed to the groundwater contamination, and the groundwater plume appears to be stable and is not migrating offsite.

Neither surface water or sensitive habitat areas are present at this site, therefore the surface water migration and exposure pathway is not complete.

Lastly, the low vapor pressure of weathered DRO and RRO, combined with the relatively low concentrations remaining in soil and groundwater at the site shouldn't pose unacceptable risks to indoor air quality.

Cleanup Levels

The soil cleanup levels established for this site are the 18 AAC 75.341 (Tables B1 and B2) levels for 'Migration to Groundwater' (under 40 inch zone). The groundwater cleanup levels for this site are the 18 AAC 75.345 (Table C) levels.

ADEC Decision

ADEC has determined that additional remediation of the release is not necessary at this time. The remaining contaminated soil meets the ADEC soil cleanup levels for ingestion, dermal contact, and outdoor inhalation. The shallow groundwater at the site is not utilized as a drinking water source. The groundwater contaminant plume appears to be stable, and has not migrated offsite. The site and surrounding area is required to be connected to the City of Kodiak public water system.

There is residual soil and groundwater contamination remaining at this site. However, with appropriate controls and restrictions, it will not pose an unacceptable risk to human health or the environment. Therefore, no further remedial action is required at this time and this site is approved for conditional closure, subject to the following conditions:

1. In accordance with 18 AAC 75.350, ADEC has determined the shallow groundwater at this site is not a drinking water source based on contamination and naturally occurring conditions. Installation of on-site wells is prohibited by City ordinance, and this ordinance serves as an institutional control to prevent the ingestion of contaminated groundwater. The installation of groundwater wells is prohibited without the prior approval of ADEC. Any exception to this prohibition must be reviewed and approved by ADEC.
2. The asphalt parking area (cap) must be maintained to limit future infiltration of surface water through the remaining contaminated soil and to limit human exposure to the remaining contamination.
3. Should future site work expose the residual contamination, the land owner must contact ADEC and additional site assessment and/or remedial activities will be required at that time.

In accordance with 18 AAC 75.380(d)(2), ADEC may require additional site assessment, monitoring, remediation, and/or other necessary actions at this facility should new information become available that indicates contamination at this site may pose a threat to human health or the environment.

This status of this site will be noted as "Conditional Closure" on the ADEC database. An institutional control will be established on the ADEC database to document residual soil and groundwater contamination remaining on site above the most stringent 18 AAC 75.341 soil 'migration to groundwater' cleanup levels and the 18 AAC 75.345 (Table C) groundwater cleanup levels.

Site closure (without conditions) will be considered when soil and groundwater samples confirm that all soil and groundwater meet the established ADEC soil and groundwater cleanup levels for this site.

Any person who disagrees with this decision may request an adjudicatory hearing in accordance with 18 AAC 15.195 - 18 AAC 15.340 or an informal review by the Division Director in accordance with 18 AAC 15.185. Informal review requests must be delivered to the Division Director, 410 Willoughby Avenue, Suite 303, Juneau, Alaska 99801, within 15 days after receiving the department's decision reviewable under this section. Adjudicatory hearing requests must be delivered to the Commissioner of the Department of Environmental Conservation, 410 Willoughby Avenue, Suite 303, Juneau, Alaska 99801, within 30 days after the date of issuance of this letter, or within 30 days after the department issues a final decision under 18 AAC 15.185. If a hearing is not requested within 30 days, the right to appeal is waived.

Signature of Acknowledgement:

As a duly authorized representative of the ADOT&PF Facilities, I agree to the terms and conditions established in this decision document.

O. Kraft & Son, Inc.

Authorized Signature: _____

Printed Name & Official Title: _____

If you have questions or concerns about this Conditional Closure decision, or any of the attached conditions, please contact me at (907) 262-5210, extension #233.

Sincerely,

Don Seagren
Environmental Program Specialist
Department of Environmental Conservation

C: Michael D. Travis, P.E., Travis/Peterson Environmental Consulting, Inc. - Anchorage