

STATE OF ALASKA

SARAH PALIN, GOVERNOR

**DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF SPILL PREVENTION AND RESPONSE
CONTAMINATED SITES PROGRAM**

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File: 1538.38.004

January 5, 2009

Certified Mail Return Receipt Requested
Article Number 7003 1680 0004 2907 5866

Mr. Frederick Kasnick
Juneau Douglas Holdings, Inc
1102 Second Street
Douglas, AK 99824

Re Record of Decision (ROD); Mikes' Place UST Spill
Cleanup Complete Determination - Institutional Controls

Dear Mr. Kasnick,

The Alaska Department of Environmental Conservation, Contaminated Sites Program (ADEC) reviewed site assessment and cleanup data concerning the oil spill that occurred at 1102 Second Street in Douglas, Alaska, formerly known as Mike's Place. Under new ownership, the facility operates as the Island Pub.

Based on information provided to date, ADEC has determined that hazardous substance contamination remains on site above ADEC cleanup levels (soil) but it does not pose an unacceptable risk to human health or the environment. As a result of this determination, the site cleanup shall be closed in accordance with the terms and conditions outlined in this letter.

Please note the following information that was evaluated in determining the environmental status of the referenced property.

Introduction

Site Name and Location:

Mike's Place UST Spill
1102 Second Street, Douglas, Alaska 99824
Douglas Block 15 Lot 1 and 1A, USS 1180
Contaminated Sites Database Hazard ID # 3982

Site Background

Heating oil leaked from an underground storage tank (UST) located in back of the former Mike's Place Café and migrated downhill reaching the adjacent residential property. Since removal of the UST and the surrounding soil would threaten structural integrity of the restaurant, ADEC approved emptying the tank, closing it in-place and adding fertilizer to promote natural attenuation of the residual contamination in the soil around the UST.

Site Investigation and Cleanup Actions

Thirty eight tons of contaminated material was excavated from the sloped area below the UST, including some on the adjacent residential property. Analytical data from the excavation sidewall confirmation sample tests for diesel range hydrocarbons (DRO) indicate contaminated soil removal captured soil exceeding cleanup concentrations. Soil nutrients were added to the clean backfill material to enhance natural attenuation should any oil seepage occur from the in-situ soil treatment area.

Site investigation included examining the drainages system at the adjacent residence that diverts intermittent subsurface water at shallow bedrock depth away from the residence. Soil field screen and observation detected no signs of residual contamination of soil or water media in the drainage system or in the system effluent after the cleanup.

The Douglas area is served by the City and Borough of Juneau Public Drinking Water System. Temporal stability of subsurface water on the property is not established and fractured bedrock is commonly found in the area. No potable water access wells are identified in the area downgradient of the spill source; marine waters are less than ¼ mile away. The site is not located in a zone of influence for a groundwater source and it is unlikely to become a future source of drinking water.

Contaminants of Concern

Diesel range hydrocarbons (DRO)

Cleanup Levels

The 18 AAC 75.341, Method Two, Table B2 regulations limit hydrocarbon concentrations based on an average soil type in which hydrocarbon product may become mobile as a separate phase and migrate through the soil. If a petroleum hydrocarbon exceeds a soil saturation limit, there may be an increased risk of migration from subsurface soil to ground water and surface water. The diesel range saturation limit for the Over 40-Inch Zone is 230 mg/kg.

Pathway Evaluation

The pathways evaluated at this site include the human health exposure pathways of inhalation and direct contact, both dermal and ingestion. However, since the soil contamination remaining on site is located below ground surface and does not exceed 18 AAC 75 health based levels for these pathways, there is no unacceptable risk pose to human health, subject to the conditions established by this decision document.

The migration to surface water pathway is complete and was evaluated with respect to Bear Creek located adjacent to the property. The water is not used as a drinking water source and any contamination that may have occurred or will occur will attenuate over time, without posing a risk of violating 18 AAC 70 Water Quality Standards.

ADEC Decision

The ADEC has determined there is no unacceptable risk to human health or the environment, and this site will be granted a Cleanup Complete- ICs determination subject to the following.

1. Any future change in land use may impact the exposure assumptions cited in this document. If land use and/or ownership changes, current ICs may not be protective and ADEC may

require additional remediation and/or ICs. Therefore Juneau Douglas Holdings shall report to ADEC every five years to document land use, or report any change in land ownership and/or user. **The report can be sent to the local ADEC office in Juneau or electronically to DEC.ICUnit@alaska.gov.**

2. Installation of groundwater wells will require approval from ADEC in accordance with 18 AAC 75.350(2).
3. Any proposal to excavate the contaminated soil from the area of the UST closed in-place on Douglas Block 15 Lot 1 and 1A, USS 1180 at 1102 2nd Street in Douglas shall be reported to ADEC and a work plan describing how the soil will be managed and/or disposed must be submitted for review and approval prior to excavation.
4. Any proposal to transport soil or groundwater off site requires ADEC approval in accordance with 18 AAC 75.325 (i). A "site" [as defined by 18 AAC 75.990 (115)] means an area that is contaminated, including areas contaminated by the migration of hazardous substances from a source area, regardless of property ownership.
5. Movement or use of contaminated material in a manner that results in a violation of 18 AAC 70 water quality standards is prohibited.

The ADEC Contaminated Sites Database will be updated to reflect the change in site status as detailed above, and will include a description of the contamination remaining at the site. When the site meets the requirements for a Cleanup Complete determination, then the Institutional Controls will be terminated.

This determination is in accordance with 18 AAC 75.380(d) and does not preclude ADEC from requiring additional assessment and/or cleanup action if future information indicates that this site may pose an unacceptable risk to human health or the environment.

Appeal

Any person who disagrees with this decision may request an adjudicatory hearing in accordance with 18 AAC 15.195 - .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, PO Box 111800, Juneau, Alaska 99801-1800, 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, PO Box 111800, Juneau, Alaska 99801-1800, 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.

Cost Recovery

Alaska Statute 46.08.070 requires that recovery be sought for certain costs, including oversight activities, incurred by the State in responding to pollution incidents. The State may bill the responsible party at a later date for State expenditures associated with this pollution incident. State expenditures include the direct costs of staff time and indirect State overhead costs, as well as

contractual and material costs. State staff time includes all time spent on activities related to the incident, including site visits, response and report reviews, telephone conversations, meetings, legal services, and interest. If you believe someone else may be responsible for this pollution incident or if you have any questions concerning this matter, please contact me.

If you have questions about this closure decision, please contact Bruce Wanstall at 907-465-5210 or email at bruce.wanstall@alaska.gov ,

Sincerely,



Bruce Wanstall
Project Manager
State & Private Sites Cleanup Program

cc: Pamela Post, Department of Law, via email
Veris Lunasin, SPAR Accounting, via email
Rudolph and Mary Pusich, via regular mail

Attachment:
Cleanup Complete-ICs Agreement and Signature Page

Attachment A: Cleanup Complete-ICs Agreement and Signature Page*

Juneau Douglas Holdings, Inc. agrees to the terms of this Cleanup Complete with ICs determination as stated in this Record of Decision (ROD) document dated January 5, 2008 for the Mike's Place UST Spill, Hazard ID: 3892. Failure to comply with the terms of this agreement may result in ADEC reopening this site and requiring further remedial action in accordance with 18 AAC 75.380(d).

Signature of Authorized Representative, Title
Juneau Douglas Holdings, Inc

Printed Name of Authorized Representative, Title
Juneau Douglas Holdings, Inc

Note to Responsible Person (RP):

After making a copy for your records, please return a signed copy of this form to the ADEC project manager, Bruce Wanstall at the address on this correspondence within 30 days of receipt of this letter.

***Attention ADEC Administration Staff:** Please do not file this form until the ADEC project manager has updated the database.