

STATE OF ALASKA

SARAH PALIN, GOVERNOR

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

555 Cordova Street
Anchorage, AK 99501
PHONE: (907) 269-7526
FAX: (907) 269-7649
www.dec.state.ak.us

File: # ~~2209.38.001~~ and 2209.38.003
Certified Mail Return Receipt Requested
Article No: 70022410000531013139

June 11, 2008

Charles W. Totemoff
President & CEO
Chenega Corporation
3000 C Street, Suite 301
Anchorage, AK 99503

Re: Chenega Bay Saltery Record of Decision

Dear Mr. Totemoff:

The Alaska Department of Environmental Conservation (ADEC), Contaminated Sites Program, reviewed the environmental records associated with site Chenega Bay Saltery. This site had been contaminated by the release of a hazardous substance; however, based on the information provided to date, ADEC has determined that no further remedial action is required, and that Chenega Bay Saltery can be closed subject to the conditions outlined in this document. The hazardous substance contamination has been adequately addressed and does not pose an unacceptable risk to human health or the environment.

This decision is based on the administrative record for this site which is located in the offices of the ADEC in Anchorage, Alaska. This letter summarizes the decision process used to determine the environmental status of this site and provides a summary of the regulatory issues considered in the ADEC determination.

Introduction

Site Name and Location

Chenega Bay Saltery
Chenega Bay, AK 99574

Name and Mailing Address of Contact Party:

Charles W. Totemoff
President & CEO
Chenega Corporation
3000 C Street, Suite 301
Anchorage, AK 99503

Database Record Key and CS file number:

ADEC Reckey # 1993240111801
CS file # 2209.38.001 and 2209.38.003

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CONSERVATION**

Regulatory authority under which the site is being cleaned up:
18 AAC 75 and 18 AAC 70

Background

This site is the location of a former cannery constructed in 1920 also known as the Chatham Strait Fish Company. The cannery was reportedly demolished and onsite asbestos removed in January 1994. The facilities included one 12,000-gallon diesel tank, four Bunker C tanks ranging in size from approximately 23,000 to 77,000 gallons, as well as fish oil and fish meal tanks. The village moved to this area following the 1964 earthquake. An oyster farm, located about 1/2 mile away, is not currently operating according to ADEC Division of Environmental Health.

Alaska Department of Transportation & Public Facilities (ADOT/PF) agreed to cleanup the site as part of the construction of a spill response/ferry dock facility near the site.

Site Characterization

In 1993, a site investigation included screening the site's surface soil for total petroleum hydrocarbon (TPH) and collection of a soil sample from the drum boneyard area. The soil sample contained nondetectable concentrations of metals, volatile organic compounds, and polychlorinated biphenyls. Another site investigation conducted, later in 1993, found TPH levels up to 6,840 mg/kg in soil samples collected from four test pits and five boreholes and estimated the extent of contamination to be about one half acre.

Following the 1995 excavation of 280 cubic yards of contaminated soil and bedrock material, concentrations remaining on site were up to 26,000 mg/kg diesel range organics (DRO). Some polynuclear aromatic hydrocarbon (PAH) constituents were also above Method Two migration to groundwater levels for the over 40 inch zone. This excavation effort was limited due to dense vegetation and slippery conditions resulting from a combination of slope and precipitation. The limits of this excavation were thought to extend into contamination resulting from an adjacent, upgradient tank farm and/or electrical generator. In most areas, this excavation extended an inch or two into the shallow, fractured bedrock less than three feet below ground surface (bgs).

Later in 1995 the same area was re-excavated down to bedrock, with the exception of the former buried drum area, because some contaminated soil was reportedly included in the backfilling of the earlier excavation. Nearly 600 cubic yards of contaminated soil were removed. The extent of the excavation was once again limited by dense vegetation, the bluff above the intertidal zone, and the steep slope above the bluff. No confirmation samples were collected as soil was removed to bedrock. No sheen was observed in adjacent surface waters.

In 2000 following removal of the contaminated soil stockpile, surface soil samples, which were collected from beneath the former stockpile, contained DRO concentrations up to 366 mg/kg.

In 2003, a site characterization was conducted at what was then the existing tank farm in Chenega Bay which was also collocated with the former cannery site. This tank farm is no longer present at the site according to the Chenega Village Council and there is no current use or activity at the location according to the Chenega Corporation. Seven surface soil samples were collected and contained concentrations up to 932 mg/kg DRO and 0.045 mg/kg benzene. Toluene, ethylbenzene, xylenes, gasoline range organics (GRO), residual range organics (RRO), and PAHs were below Method Two migration to groundwater cleanup levels.

Remedial Actions

Remedial actions at the site included source removal which resulted in the excavation of over 700 cubic yards of contaminated soil.

Chemicals of Concern

The primary contaminants of concern identified at this site are:

- Diesel Range Organics (DRO)
- Benzene

Cleanup Levels

The applicable soil cleanup levels for this site are established in 18 AAC 75.341 Tables B1 and B2, Over 40 inch Zone, Migration to Groundwater.

<u>Contaminant</u>	<u>Site Cleanup Level (mg/kg)</u>
DRO	230
Benzene	0.02

Exposure Pathways Identified

The exposure pathways for human health that were evaluated include the following: inhalation and ingestion of soil and groundwater; and dermal contact with soil.

The inhalation, ingestion, and dermal contact pathways may be complete because remaining soil concentrations may exceed ingestion or inhalation levels in 18 AAC 75.341 Table B2. However, the existing soil contamination that exceeds ingestion and inhalation levels is considered De Minimus; remains in fractured bedrock; and is impractical to remove. Furthermore, recent surface soil sampling results were below risk based ingestion levels, and the site is currently used as a tank farm.

The migration to groundwater pathway may also be complete but groundwater was not encountered during the excavation, and groundwater is not used as a drinking water source. The source of the community water system is from a dam located on O'Brien Creek about 1/2 mile northwest of the town.

The exposure pathway analysis above was supported by the most recent ADEC Exposure Tracking Model (ETM) ranking. The ETM results showed all pathways to be one of the following: De Minimus Exposure, Exposure Controlled, or Pathway Incomplete.

ADEC Decision

Based on the information provided to date, it has been determined that the contaminant concentrations remaining on site do not pose an unacceptable risk to human health or the environment, and no further remedial action is required at Chenega Bay Saltery.

This determination is subject to the following conditions:

1. A Notice of Residual Contamination will be recorded on the ADEC database to document residual contamination remaining on site above the most stringent ADEC cleanup levels. This will serve as notification to future owners/operators of the property of the environmental status of the site and any conditions that apply to future management of contamination.
2. ADEC approval is required prior to off site transport of soil or groundwater in accordance with 18 AAC 75.370 (b).

3. Groundwater wells shall not be installed on this property without prior approval from ADEC.
4. Soil containing residual contamination may not be placed in surface water or other environmentally sensitive areas.
5. Site status and any changes in land use must be reported to ADEC on a five year basis. However, ADEC must be notified immediately if a land transfer occurs during this five year period.

This determination is also subject to 18 AAC 75.380 (d) whereby additional investigation and cleanup may be required if new information is discovered that indicates the cleanup described in this decision is not protective of human health or the environment.

Site closure (without conditions) will be considered when sampling confirms that soil and groundwater meet the 18 AAC 75 cleanup levels established for this site.

Appeal

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.

If you have questions about this closure decision, please contact ADEC Project Manager Keather McLoone at (907) 269-7526.

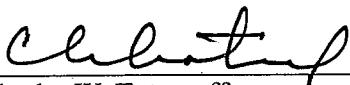
Sincerely,



Linda Nuechterlein
Environmental Manager

Cc: ADOT/PF – Southeast Region

Chenega Corporation agrees to the terms of this conditional closure as discussed above.



Charles W. Totemoff
President & CEO, Chenega Corporation