

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

DIVISION OF SPILL PREVENTION AND RESPONSE CONTAMINATED SITES PROGRAM

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File: 1525.38.008

June 2, 2010

Win Gruening
Kimshan Corporation
234 Seward Street
Juneau, AK 99801

SUBJECT: Request for Release Investigation and Potential Responsible Party Notification,
Kimshan Cove Mine

Dear Mr. Gruening:

The Contaminated Sites Program (CSP) within the Department of Environmental Conservation (DEC) has recently reviewed the administrative file for the Kimshan Cove Mine contaminated site. This file has not been evaluated in roughly 8 years due to CSP oversight of other high risk contaminated sites and CSP staff turnover. Our records indicate that Kimshan Corporation owns the land at Kimshan Cove. This letter is being submitted to you to request a release investigation for known metal contamination at the subject site due to past mining operations. We also want to inform you of DEC's cleanup process.

In 1999, Ecology and Environment Inc. issued a "Combined Preliminary Assessment/ Site Inspection Report Kimshan Cove Chichagof Island, Alaska". This report documented the detection of elevated levels of metals in former mine tailings, adjacent creeks, and in the intertidal zone of Kimshan Cove. The levels of the metals may adversely impact ecological receptors and may also bioaccumulate to harmful levels in fish, shellfish, and/or marine mammals in the immediate vicinity of Kimshan Cove.

Please find enclosed a Fact Sheet which briefly summarizes the major elements of Alaska's Contaminated Site Regulations (Alaska Statutes Title 46 and Title 18 of Alaska's Administrative Code of regulations, Chapter 75, or "18 AAC 75" See article 3) and describes the general cleanup process. The full text of chapter 75 can be downloaded at www.state.ak.us/dec/regulations/pdfs/75mas.pdf.

The responsibility for the investigation and cleanup of hazardous substance contamination is established by state law. The owner and/or operator that caused the release of the hazardous substance(s) is responsible for its cleanup (Alaska Statutes 46.03.822). However, if the responsible party is not the owner of the property and/or is not willing or able to conduct the necessary cleanup actions, the landowner is liable for the cost of the cleanup actions. The process requires work plan(s) be submitted to DEC before beginning any work on your site. The purpose of this review and approval process is to ensure regulatory requirements are met and, hopefully, accomplish a cost effective approach to resolving environmental issues. A useful guide to the cleanup process, giving a step-by-step description, can be found on the internet at <http://www.dec.state.ak.us/spar/csp/process.htm>.

In addition, state law requires DEC to recover the costs associated with our oversight work from the responsible party/parties (AS 46.03.010 and AS 46.08.070). This may include conducting site inspections and any time associated with reviewing work plans. The

contaminated site cleanup process can be a lengthy and costly endeavor. However, DEC wishes to limit your costs by working with you to accomplish the primary goal of protecting public health and the environment. In general, the quicker that this environmental concern is resolved, the lower the cleanup costs.

We want you to be aware that the contamination at the subject site has been listed in DEC's database of contaminated sites and information contained in the file is now public record. Our databases are accessible on the Internet at www.dec.state.ak.us/spar/csp/search/default.asp.

By this letter, we request that you hire a qualified person to conduct a risk assessment of the metal contamination at Kimshan Cove. The risk assessment should include sediment and biota sampling to evaluate the effects of metal contamination in the intertidal and upland areas. Prior to conducting a risk assessment, your chosen environmental consultant should issue a work plan to CSP for review and approval. Please note that I will be visiting Juneau on June 28th and will be available to meet with you and other interested parties to discuss the cleanup process. If you are available to meet on June 28th and/or have questions about this letter, please do not hesitate to contact me at (907) 269-7699 or via email at Todd.Blessing@alaska.gov.

Sincerely,

A handwritten signature in black ink that reads "Todd Blessing". The signature is written in a cursive style with a long, sweeping tail that extends to the right.

Todd Blessing
DEC Environmental Program Specialist

Attachments: DEC's Cleanup Process Fact Sheet



Alaska Department of Environmental Conservation

Cleanup Process

Cleanup of contaminated sites in Alaska

February 2004

The Alaska Department of Environmental Conservation's Contaminated Sites program oversees or conducts cleanup of contaminated sites based on their danger to public health and the environment. DEC stresses prevention as the best way to protect people and the environment. When spills and leaks do occur, cleaning up soil and groundwater can be quite difficult, time-consuming and expensive, but foremost in the process is protecting the health and safety of people and the environment.

The following process describes careful investigation and cleanup of what remains after an initial spill response or upon discovery of a leak or discharge underground. The process can range from a large, formal cleanup with extensive public involvement and lasting several years to a simple one taking a few months. It all depends on the source and extent of contamination and the threat to humans and the environment. This fact sheet briefly summarizes the cleanup process. For complete information, see Alaska's Statutes Title 46, and Alaska's Administrative Code of regulations 18 AAC 75. If the contamination comes from a leaking underground fuel tank, the process is slightly different: see 18 AAC 78. Cleanup overseen by a federal agency, military sites for example, may also use other terms and the steps may vary somewhat.

Site characterization workplan

18AAC 75.335(b)*

The person who caused the contamination or who owns the land is typically the one legally responsible for cleaning it up. That person must arrange for a "qualified person"*** (approved by DEC) to prepare a site characterization workplan for DEC approval. Preparation usually involves these steps:

Scoping, to find all available information about the site, how much and what kind of contamination exists, and what harm there could be to people, animals and plants.

A Conceptual Site Model, or a first estimate of what and where the contaminants are, how they behave under site conditions, and what threat they may pose. This may be in a separate report or included in the next step.

A Workplan, to guide a more detailed investigation, designing field work to confirm or correct the first estimates of the conceptual site model.

Site characterization report

18AAC 75.335(c)

Field investigation: Guided by the workplan, the contractor (qualified person) takes samples and gathers more information at the site, and DEC oversees this work. The contractor then recommends cleanup techniques and levels in the report.

Cleanup levels: One of the most important parts of the cleanup process is determining cleanup levels - the concentration of a hazardous substance that may be left in soil or water without posing a threat to human health, safety or welfare, or to the environment. Different levels are chosen depending on the contaminant, the soil, and whether or not the hazardous substance would be taken in through breath, skin, or eating/drinking. When little is known about a site, strict default cleanup levels set in state and federal law are used to be most protective. Less strict levels can

*Title 18 of Alaska's Administrative Code of regulations, Chapter 75, section 335, paragraph (b)

**A list of qualified persons is available by contacting the DEC Contaminated Sites program (see back) or by visiting our website at www.state.ak.us/declspar/csp/qpcomp.htm

sometimes be set when specific information is known about the site.

A Risk Assessment is sometimes conducted to gather detailed information about the site and how people would be exposed to contamination. Risk assessments can also be used to justify protective cleanup levels which are more or less strict than default ones. An important part of a risk assessment is to gather information from residents and other people on how they use the land and its resources.

Site Characterization Report: This report draws conclusions about the contamination and the risk to people and the environment, and it proposes cleanup levels for DEC to approve. A formal risk assessment, if conducted, would also be included. Removal of 100% of the contamination may not be possible, practical or affordable. Cleanup techniques are analyzed, and one or more is recommended based on their protectiveness, as well as practicality, effectiveness, conformity with state regulations, and consideration of any public comment.

DEC's Cleanup decision

18AAC 75.335 - 370, cleanup and reporting requirements

DEC's decision is made in written form, defining soil and groundwater cleanup levels and cleanup techniques. The decision takes into account current and future use of the site, the degree of treatment, and protection of human health and safety and the environment if contamination will remain on site. Minimizing spread of contamination, and monitoring plans are also part of it. In a formal cleanup, the decision involves first issuing a Proposed Plan, inviting public comment, and a final Record of Decision.

Cleanup and report

18AAC 75.360, cleanup and reporting requirements

Before work begins, the responsible person submits a cleanup plan to DEC. After a plan is approved, the work must be performed by a qualified person, with DEC oversight to document and inspect the effort. A final report is completed for DEC review when cleanup is complete.

Site closure

18AAC 75.375, institutional controls

18AAC 75.380, site closure

Institutional Controls: Complete cleanup is not always practical or affordable. DEC may determine that cleanup at a site can stop when human health and safety and the environment are protected as long as the responsible person conducts long-term monitoring and/or sets institutional controls. Examples of the latter are recorded notices to alert people that the groundwater should not be used for drinking water, or an area is fenced off with signs posted to alert visitors that contamination remains. This allows the land to be put back to use if precautions are taken.

If all cleanup levels are achieved and there is no need for long-term monitoring or institutional controls, DEC will close the site. Any legal proceedings are closed. DEC recovers cost of oversight and/or damages from responsible persons, if this hasn't already happened. The landowner gets official notice that the land can once again be used without restriction.

Follow-up ...

The Contaminated Sites Program protects human safety, human health and the environment by overseeing and conducting cleanups at contaminated sites in Alaska and by preventing releases from underground storage tanks and unregulated aboveground storage tanks. For follow-up questions, please contact our staff at the Contaminated Site program closest to you:

Juneau: 907-465-5390 / Anchorage: 907-269-7503 / Fairbanks: 907-451-2153 / Kenai: 907-262-5210

www.state.ak.us/dec/spar/csp