THE STATE of ALASKA
GOVERNOR BILL WALKER

Department of Environmental Conservation

DIVISION OF SPILL PREVENTION AND RESPONSE
Contaminated Sites Program

555 Cordova St
Anchorage, AK 99501
Main: 907-269-7691
Fax: 907-269-7687
www.dec.alaska.gov

File No: 2100.38.554

October 21, 2015

Dean Pape
KDG Alaska LLC
8854 West Emerald Street, Suite 260
Boise, ID 83704

Re: Decision Document: Commercial Property - 900 East Dowling Road
Cleanup Complete Determination – Institutional Controls

Dear Mr. Pape:

The Alaska Department of Environmental Conservation (ADEC) has reviewed the environmental records for the Commercial Property - 900 East Dowling Road site. 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 this site will be closed.

This decision is based on the administrative record for the Commercial Property - 900 East Dowling Road site, which is located in the offices of the ADEC in Anchorage, Alaska. No further remedial action will be required as long as compliance with the conditions outlined in this letter are maintained.

Site Name and Location:
Commercial Property – 900 East Dowling Road
900 East Dowling Road
Anchorage, AK 99518

Name and Mailing Address of Contact Party:
Dean Pape
KDG Alaska LLC
8854 West Emerald Street, Suite 260
Boise, ID 83704

DEC Site Identifiers:
File No: 2100.38.554
Hazard ID: 26409

Regulatory Authority for Determination:
18 AAC 75

Site Description
The Commercial Property - 900 East Dowling Road site is located southeast of the Old Seward Highway and East Dowling Road intersection in Anchorage, Alaska. The property is asphalt-paved and there is one commercial structure located on the southwest portion of the lot. A drinking water well (DWW) is present on the property and is used for consumption. The property is currently used for storing and selling vehicles; however, in the past may have been used as an automotive junkyard. The area surrounding the site is generally commercial in nature.

Background and Cleanup Activities

A Phase I Environmental Site Assessment (ESA) was completed at the site in April of 2014. The Phase I ESA identified the historical use of the property as an automotive junkyard, warranting further investigation.

A Limited Phase II ESA was performed on May 9, 2014 in an effort to characterize the site. A total of 29 soil samples were collected from six soil borings advanced at the property. Each soil boring was advanced through asphalt, to a maximum depth of 12 feet below ground surface (bgs). Soil types generally consisted of a mixture of sands, gravels, and organics (peat) down to at least 10 feet bgs, followed by a thick silt layer. Groundwater was not encountered.

Based on field screening, visual evidence of contamination and odors, six soil samples were selected for laboratory analysis of gasoline range organics (GRO), diesel range organics (DRO), residual range organics (RRO), volatile organic compounds (VOCs), polynuclear aromatic hydrocarbons (PAHs), and RCRA Metals. Additionally, select samples were also analyzed for DRO and RRO using silica gel cleanup to evaluate potential biogenic interference from the organic material.

In addition to the soil samples, a water sample was collected from the property DWW and was submitted for laboratory analysis of VOCs and arsenic.

Laboratory results revealed that DRO was present in the subsurface soils above the ADEC migration-to-groundwater (MTG) cleanup level in one sample (Sample SB2). The concentration of DRO from Sample SB2, prior to silica gel cleanup, was 559 milligrams per kilogram (mg/kg). After silica gel cleanup, the concentration of DRO decreased to 319 mg/kg, still exceeding the ADEC MTG cleanup level of 250 mg/kg for DRO. Results from the DWW sample were not detected above laboratory limits of quantitation (LOQ).

A small excavation was completed at the location of Sample SB2 in early July 2014. Roughly 22 tons of impacted soil were excavated and transported offsite for disposal at Alaska Soil Recycling (ASR). Confirmation soil samples collected from the excavation revealed that DRO impacted soil remained on the southern sidewall in concentrations up to 774 mg/kg.

Between July 2014 and April 2015, an additional 38 soil borings were advanced at the site in an effort to delineate soil contamination. Results of the soil boring investigation revealed that contamination remained in the surface and subsurface soils intermittently above ADEC MTG cleanup levels. Levels of contamination in the soil varied across the site; however, based on the results of several soil samples, did not impact the silt layer (as noted above), which was encountered consistently throughout the site. The silt layer was generally encountered around 10 feet bgs.

A final cleanup and investigation action took place on August 25, 2015 and included removal of contaminated surface material down to two feet bgs. Roughly 210 cubic yards of surface material were removed and disposed of offsite at ASR. In addition to the surface excavation, a test pit was advanced to the silt layer so that a sample could be collected. The purpose of the test pit was to confirm that contamination was not migrating through the silt layer to groundwater in the area of greatest contamination.

All confirmation soil samples collected from the surface excavations and from the silt layer were below the most stringent ADEC cleanup levels. Contamination remains at this site in the subsurface soil only and is not impacting groundwater. The maximum remaining concentrations are documented in Table 1, below. A figure that depicts the general area of remaining contamination is enclosed at the end of this letter.

Contaminants of Concern

Soil samples collected from this site were analyzed for GRO, DRO, RRO, VOCs, PAHs, and RCRA metals. Based on analytical results, DRO, RRO, and benzene are the primary contaminants of concern.

Cleanup Levels
Default soil cleanup levels for this site are established in 18 AAC 75.341, Method Two, Table B2, Migration-to-Groundwater (MTG) for the under 40-inch zone.

Table 1 – ADEC Cleanup Levels

Contaminant	Soil Cleanup Level – MTG (mg/kg)	Soil Cleanup Level – Inhalation (mg/kg)	Soil Cleanup Level – Ingestion (mg/kg)	Soil – Maximum Remaining Concentrations (mg/kg)
DRO	250	12,500	10,250	4,180
DRO Silica	↑	↑	↑	774
RRO	11,000	22,000	10,000	10,900
RRO Silica	↑	↑	↑	2,670
Benzene	0.025	11	150	0.238

mg/kg = milligrams per kilogram DRO = diesel range organic RRO = residual range organics
MTG = migration to groundwater Silica = results after Silica Gel Cleanup
↑ = same cleanup level as above

Cumulative Risk Evaluation
Pursuant to 18 AAC 78.600(d), when detectable contamination remains on-site following a cleanup, a cumulative risk determination must be made that the risk from hazardous substances does not exceed a cumulative carcinogenic risk standard of 1 in 100,000 across all exposure pathways and does not exceed a cumulative noncarcinogenic risk standard at a hazard index of one across all exposure pathways.

Based on a review of the environmental record, ADEC has determined that residual contaminant concentrations do not pose a cumulative human health risk.

Exposure Pathway Evaluation
Following investigation and cleanup at the site, exposure to the remaining contaminants was evaluated using ADEC's Exposure Tracking Model (ETM). Exposure pathways are the conduits by which contamination may reach human or ecological receptors. ETM results show all pathways at this site to be one of the following: De-Minimis Exposure, Exposure Controlled, or Pathway Incomplete. A summary of this pathway evaluation is included in Table 2.

Table 2 – Exposure Pathway Evaluation

Pathway	Result	Explanation
Surface Soil Contact	Pathway Incomplete	Contamination is not present in surface soil (0 to 2 feet below ground surface).
Sub-Surface Soil Contact	De-Minimis Exposure	Contamination is present in the subsurface soils at varying concentrations. All samples results are below ingestion cleanup levels following Silica Gel Cleanup. Site is asphalt-paved and no construction activities are planned in the near future.
Inhalation – Outdoor Air	De-Minimis Exposure	Contamination is present in the subsurface soils, but is below the inhalation cleanup levels.

Inhalation – Indoor Air (vapor intrusion)	Pathway Incomplete	Benzene is present in the subsurface soils, but the site is asphalt-paved, and there are no building currently or expected in the near future within 30 feet of remaining contamination. All contaminated surface soil was removed.
Groundwater Ingestion	Pathway Incomplete	Groundwater is not impacted.
Surface Water Ingestion	Pathway Incomplete	Contamination is not present in surface water.
Wild and Farmed Foods Ingestion	Pathway Incomplete	Site is not located in an area that is used or reasonably could be used for hunting, fishing, or harvesting of wild or farmed foods
Exposure to Ecological Receptors	Pathway Incomplete	No terrestrial or aquatic exposure routes present.

Notes to Table 2: "De-Minimis Exposure" means that in ADEC's judgment receptors are unlikely to be affected by the minimal volume or concentration of remaining contamination. "Pathway Incomplete" means that in ADEC's judgment contamination has no potential to contact receptors. "Exposure Controlled" means there is an administrative mechanism in place limiting land or groundwater use, or a physical barrier in place that deters contact with residual contamination.

ADEC Decision

Petroleum contamination remains in sub-surface soil above MTG cleanup levels; however ADEC has determined there is no unacceptable risk to human health or the environment as long as the contamination is properly managed, subject to the following conditions.

1. Any future change in land use may impact the exposure assumptions cited in this document. If land use and/or ownership changes, these management conditions may not be protective and ADEC may require additional remediation and revised conditions. Therefore KDG Alaska LLC shall report to ADEC every 5 years to document land use, or report as soon as KDG Alaska LLC becomes aware of any change in land ownership and/or use, if earlier. **The report can be sent to the local ADEC office or electronically to DEC.ICUnit@alaska.gov.**

2. A Notice of Environmental Contamination (deed notice) shall be recorded in the State Recorder's Office as an institutional control (IC) that identifies the nature and extent of contamination at the property and the conditions that the owners and operators are subject to in accordance with this decision document (enclosed).

3. Installation of groundwater wells requires ADEC approval.

4. Sub-surface soil contamination is located sporadically across the property. If contamination is encountered in the future or if the soil becomes accessible, the soil must be evaluated and contamination addressed in accordance with an ADEC approved work plan.

5. Benzene contamination remains in the subsurface soils above MTG cleanup levels. If in the future a structure (temporary or permanent) is constructed within 30 feet of the known contamination, ADEC must be contacted and a vapor intrusion (VI) evaluation will likely be required.

6. Any proposal to transport soil or groundwater off-site requires ADEC approval in accordance with 18 AAC 75.325. 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.

7. Movement or use of contaminated material in a manner that results in a violation of 18 AAC 70 water quality standards is prohibited.

This determination is in accordance with 18 AAC 75.380 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.

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 99811-1800, 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, Juneau, Alaska 99811-1800, 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.

Please sign and return *Attachment A* to ADEC within 30 days of receipt of this letter.

If you have questions about this closure decision, please feel free to contact me at (907) 269-7691 or by email at joshua.barsis@alaska.gov.

Sincerely,

Joshua Barsis
Environmental Program Specialist

Enclosures: Attachment A
Remaining Contamination Figure
Draft Notice of Environmental Contamination

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

KDG Alaska LLC agrees to the terms and conditions of this Corrective Action Complete Determination, as stated in decision letter for the Commercial Property - 900 East Dowling Road site, dated (October 20, 2015). Failure to comply with the terms and conditions of the determination may result in ADEC reopening this site and requiring further remedial action in accordance with18 AAC 18 AAC 78.276(f).

_____ _____

Signature of Authorized Representative, Title Date

_____

Printed Name of Authorized Representative, Title

Note to Responsible Person (RP):

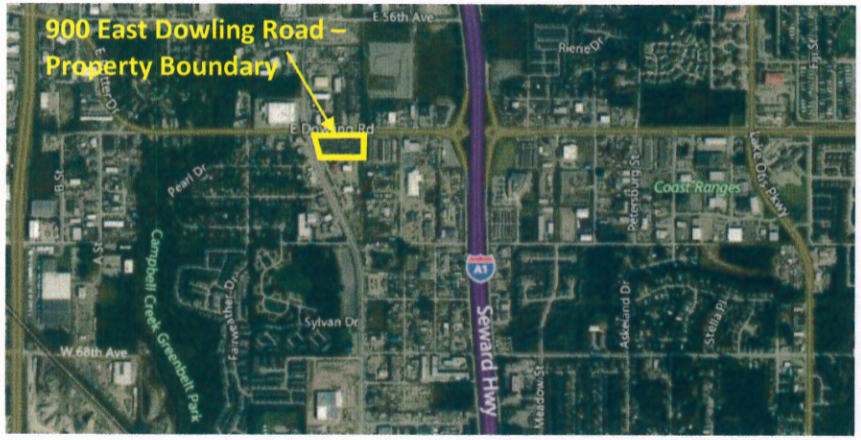
After making a copy for your records, please return a signed copy of this form to the ADEC project manager at the address on this correspondence within 30 days of receipt of this letter.

East Dowling Road

900 East Dowling Road – Property Boundary

Old Seward Highway

General area of intermittent remaining subsurface contamination



N

Alaska DEC

Commercial Property - 900 East Dowling Road

900 East Dowling Road
Anchorage, Alaska
ADEC File Number: 2100.38.554
ADEC Hazard ID: 26409

October 2015	**Alaska Department of Environmental Conservation**

Notice of Environmental Contamination

Grantor: State of Alaska
Department of Environmental Conservation
Contaminated Sites Program

Grantee: Commercial Property - 900 East Dowling Road
KDG Alaska LLC

Legal Description: WESTFORK TR 1 REM in Section 6, Township 12 North, Range 3 West, Seward Meridian, in the Anchorage Recording District

Recording District: Anchorage Recording District

Return to: Joshua Barsis
Environmental Program Specialist
ADEC Contaminated Sites Program
555 Cordova Street
Anchorage, AK 99501

State Business- No Charge

NOTICE OF ENVIRONMENTAL CONTAMINATION

As required by the Alaska Department of Environmental Conservation, Grantor, pursuant to 18 AAC 75.375 KDG Alaska LLC, Grantee, as the owner of the subject property, hereby provides public notice that the property located at 900 East Dowling Road, Alaska, 99518, and more particularly described as follows:

WESTFORK TR 1 REM in Section 6, Township 12 North, Range 3 West, Seward Meridian, in the Anchorage Recording District

has been subject to a discharge or release and subsequent cleanup of oil or other hazardous substances, regulated under 18 AAC 75, Article 3, revised as of June 17, 2015. This release and cleanup are documented in the Alaska Department of Environmental Conservation (ADEC) contaminated sites database at http://www.dec.state.ak.us/spar/csp/db_search.htm under Hazard ID number 26409.

ADEC reviewed and approved, subject to this and other institutional controls, the cleanup as protective of human health, safety, welfare, and the environment. No further cleanup is necessary at this site unless new information becomes available that indicates to ADEC that the site may pose an unacceptable risk to human health, safety, welfare, or the environment. ADEC determined, in accordance with 18 AAC 75.325 – 390 site cleanup rules, that cleanup has been performed to the maximum extent practicable even though residual petroleum contamination remains in the subsurface soil.

Attached is a site diagram drawn to scale that shows the property boundaries, locations of existing structures and the approximate location of remaining soil contamination.

Petroleum contamination remains in sub-surface soil above MTG cleanup levels; however ADEC has determined there is no unacceptable risk to human health or the environment as long as the contamination is properly managed, subject to the following conditions:

1. Any future change in land use may impact the exposure assumptions cited in this document. If land use and/or ownership changes, these management conditions may not be protective and ADEC may require additional remediation and revised conditions. Therefore KDG Alaska LLC shall report to ADEC every 5 years to document land use, or report as soon as KDG Alaska LLC becomes aware of any change in land ownership and/or use, if earlier.

2. A Notice of Environmental Contamination (deed notice) shall be recorded in the State Recorder's Office as an institutional control (IC) that identifies the nature and extent of contamination at the property and the conditions that the owners and operators are subject to in accordance with this decision document (enclosed).

3. Installation of groundwater wells requires ADEC approval.

4. Sub-surface soil contamination is located sporadically across the property. If contamination is encountered in the future or if the soil becomes accessible, the soil must be evaluated and contamination addressed in accordance with an ADEC approved work plan.

5. Benzene contamination remains in the subsurface soils above MTG cleanup levels. If in the future a structure (temporary or permanent) is constructed within 30 feet of the known contamination, ADEC must be contacted and a vapor intrusion (VI) evaluation will likely be required.

6. Any proposal to transport soil or groundwater off-site requires ADEC approval in accordance with 18 AAC 75.325. 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.

7. Movement or use of contaminated material in a manner that results in a violation of 18 AAC 70 water quality standards is prohibited.

In the event that the remaining contaminated soil becomes accessible (by the building or other structure being removed or through some other action that fits the site circumstances), or other information becomes available which indicates that the site may pose an unacceptable risk to human health, safety, welfare or the environment, the land owner and/or operator are required under 18 AAC 75.300 to notify ADEC and evaluate the environmental status of the contamination in accordance with applicable laws and regulations; further site characterizations and cleanup may be necessary under 18 AAC 75.325-.390.

Pursuant to 18 AAC 75.325(i)(1) and (2), DEC approval is required prior to moving soil or groundwater that is, or has been, subject to the cleanup rules found at 18 AAC 75.325-.370. At this site, in the future, if soil is removed from the site it must be characterized and managed following regulations applicable at that time.

This NEC remains in effect until a written determination from ADEC is recorded that states that soil at the site has been shown to meet the most stringent soil cleanup levels in method two of 18 AAC 75.340 and that off-site transportation of soil is not a concern.

For more information on the contaminated site in this Notice of Environmental Contamination, please see ADEC Contaminated Sites Program file number 2100.38.554 for the site named Commercial Property - 900 East Dowling Road.

_____ _____

Signature of Authorized ADEC Representative Date