

STATE OF ALASKA

SARAH PALIN, GOVERNOR

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

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File: 2314.26.028

May 29, 2008

Mr. Alex Flyum
c/o Ms. Susan E. Reeves
Reeves Amodio LLC
500 L Street, Suite 300
Anchorage, Alaska 99501

Re: **Record of Decision** – Conditional Closure
Former Trailside General Store - Homer, Alaska
ADEC Spill No.1999230011901, UST Facility I.D. No. 846, Event ID No. 2315

Dear Mr. Flyum:

The Alaska Department of Environmental Conservation (ADEC) Contaminated Sites Program reviewed the SLR report titled Additional Monitoring and Risk Evaluation, dated January 2006. The report includes the results from the additional groundwater and air sampling events performed at the facility on November 4th and 5th, 2005. A copy of the report is enclosed for your information and records.

Based on the information submitted in the SLR report, as well as all other pertinent site documentation, ADEC has determined that no further cleanup action is required at this time. Although soil and groundwater contamination remain at the site above the most stringent 18 AAC 75 cleanup levels, the nature and extent of this contamination no longer poses an unacceptable risk to human health or the environment. Please note that this determination is contingent upon site specific conditions presented under 'ADEC **Decision**' in this Record of Decision document.

Introduction

This letter summarizes the regulatory issues associated with this facility and the decision process used to determine the environmental status of this site.

Project name and location:

Former Trailside General Store in Homer, Alaska

Legal Description:

Lot 1, Bowers Subdivision, Kachemak View Addition, Section 19, Township 6 South, Range 13 West, Seward Meridian

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, and 18 AAC 78, Articles 2 and 6, as amended through January 30, 2003.

Name and address of the Responsible and/or Liable Party:

Wyoming Alaska Company, Inc. d/b/a Trailside General Store

Roger G. Segal

Chapter 7 Trustee of the Estate of Wyoming Alaska Company, Inc. d/b/a Trailside General Store

257 East 200 South, Suite 700

P.O. Box 11008

Salt Lake City, Utah 84102

Name and address of current owner:

Mr. Alex Flyum

Red Rose Rentals, Incorporated

345 W. Sterling Hwy

Homer, Alaska 99603

Background

The former Trailside General Store was a convenience store and retail gasoline station. There were two 12,000-gallon underground fuel storage tank (UST) systems on this property from 1984 until 1999. The fuel storage and sales operations have not been conducted on the property since 1999. The building on site currently houses several businesses and the Homer legislative information offices.

In the spring of 1999, gasoline product was observed on the ground surface between the UST systems and the Trailside General Store building. Response efforts included the removal of the two UST systems in May 1999. During the tank removal process, approximately 125 cubic yards of soil was initially excavated and stockpiled on site. A release investigation was conducted to assess the nature and extent of contamination, including the installation and sampling of 14 groundwater monitoring wells. Free phase gasoline product was observed in two of the monitoring wells and elevated levels of dissolved phase gasoline compounds were identified in five wells.

In 2000, continuing response efforts included excavation of approximately 5,000 cubic yards of contaminated soil which was transported off-site for thermal treatment. The soil sample data from the excavation area indicated that contaminated soil remained in the north and west areas of the excavation. It was estimated that an additional 1,500 cubic yards of impacted soil might remain in the ground. The excavation area was left open

and not immediately backfilled. Four of the 14 monitor wells were decommissioned or damaged during the excavation activities.

In the fall of 2000, ADEC contracted to dewater the open excavation and further excavate the impacted soil in the north and west areas. In addition, a groundwater interceptor and diversion system was installed to divert shallow groundwater around the building. Approximately 1,600 cubic yards of contaminated soil was removed and soil samples collected from the sidewalls indicated more contaminated soil remained on site. Seven of the eight soil samples exceeded the applicable soil cleanup levels with the highest concentrations along the north property line.

In February 2001, the State of Alaska settled a lawsuit it had filed against Wyoming Alaska Company, Inc. d/b/a Trailside General Store, Reuel T. Call, Bonita A. Blunk, Red Rose Rentals, Inc. and Commerce & Industry Insurance Company by receiving certain payments and by entering into settlement agreements that resolved the liability of all parties arising out of releases from storage tanks, pipelines and related pumps and fill ports (therein identified as the "Homer Site Claims."). These are the releases addressed by this conditional closure letter and record of decision. The Settlement Agreement and Release is included as an exhibit to this conditional closure letter. Using recoveries from that Settlement Agreement and Release, the State of Alaska has undertaken remediation of the Property. The State may take additional remediation actions including, but not limited to, those listed in the ADEC Decision, below.

In 2003, ADEC installed a replacement monitor well and five soil borings adjacent to the building foundation. The monitor data indicated groundwater remained impacted above applicable cleanup levels and soil gas was elevated adjacent to the building foundation. Indoor air samples detected benzene in two of eight samples but the concentrations were less than the National Institute for Occupational Safety and Health (NIOSH) recommended exposure limit (REL).

In 2005, another air and groundwater monitoring event was conducted. On November 4th and 5th, 2005, groundwater samples were collected from five monitoring wells and from the groundwater diversion system tank. In addition, four indoor and one outdoor air samples were collected. Only one monitor well (MW-4) detected contamination exceeding applicable groundwater cleanup levels. The indoor air samples were below the occupational-based value of 5.2 $\mu\text{g}/\text{m}^3$.

Contaminants of Concern

Contaminants at the site include the following petroleum hydrocarbon compounds associated with automotive gasoline:

- Benzene, toluene, ethylbenzene, and xylenes (BTEX)
- Gasoline range organics (GRO)

Soil Contamination

Soil contamination at this site exceeded 18 AAC 75.341 Tables B1 and B2 cleanup levels. Free phase gasoline product was encountered in soil and excavation efforts

removed a substantial quantity of contaminated soil. However, not all contaminated soil could be removed due to the depth it had migrated, and the potential for compromising the building foundation, and/or the Sterling Highway and Bowers Street improvements and utilities. Based on the soil sample data, the contaminated soil remaining in place, primarily along the north and west property boundaries, and immediately adjacent to the building include:

1. benzene up to 125 mg/kg,
2. toluene up to 607 mg/kg,
3. ethylbenzene up to 104 mg/kg,
4. total xylenes up to 544 mg/kg, and
5. GRO up to 3970 mg/kg.

Groundwater Contamination

Groundwater was encountered from the ground surface to approximately 6 feet below ground surface in the area of the former tank systems, depending on the location and the season of the year. Free phase gasoline product was originally encountered on the groundwater over a broad area from the building foundation out to the location of the former USTs and the Sterling Highway and Bowers Street. Dissolved phase BTEX and GRO were originally present in groundwater at concentrations near their solubility limits from a fresh gasoline mixture.

Groundwater contamination likely remains onsite in the Sterling Highway and Bowers Street right-of-ways, and immediately adjacent to the building foundation, however there are no groundwater monitor wells remaining in these areas. During the last two groundwater sampling events (June 2003 and November 2005), benzene has been the only contaminant detected in a concentration exceeding ADEC groundwater cleanup levels. The groundwater at the site now meets the 18 AAC 75.345 Table C cleanup levels in the remaining monitoring wells except MW4, where benzene continues to exceed applicable cleanup levels as follows:

Benzene 20.7 ug/L - June 19, 2003

Benzene 8.47 ug/L – November 4, 2005

A drinking water well search was performed within a ¼ mile downgradient radius of the site and no drinking water wells were located within this radius. Based on groundwater monitoring data collected from the remaining monitoring wells, there is no evidence of off-site contaminant migration downgradient of this site. Groundwater quality is likely impaired within the Sterling Highway right-of-way, upgradient of this site, however there are no groundwater monitoring wells installed in this right-of-way.

The subject property is connected to community water and sewer services from the City of Homer, as are all nearby properties.

Indoor Air Contamination

Indoor air samples were collected from the onsite building and analyzed two separate times; once in 2003 and once in 2005. ADEC has not established regulatory standards for indoor air quality for the contaminants of concern associated with this site. The

National Institute for Occupational Safety and Health (NIOSH) recommended exposure limit (REL) for occupational air exposures, and the United States Environmental Protection Agency (USEPA) residential and occupational-derived health-based screening criteria for indoor air were used to evaluate indoor air quality. Reference USEPA, 2002. *OSWER Draft Guidance for Evaluating the Vapor Intrusion to Indoor Air Pathway from Groundwater and Soils (Subsurface Vapor Intrusion Guidance)* EPA 530-D-02-004. USEPA Office of Solid Waste and Emergency Response (OSWER). November.

In 2003, indoor air was tested for BTEX and benzene was detected in two samples. The benzene concentrations in both samples were less than the NIOSH occupational recommended exposure limit (REL).

In 2005, indoor air was tested for BTEX and naphthalene. All contaminants of concern were below the USEPA occupational-based screening criteria. Two of the four air samples slightly exceeded the USEPA residential-based benzene target of $3.1 \mu\text{g}/\text{m}^3$. These two results ($3.7 \mu\text{g}/\text{m}^3$ and $3.8 \mu\text{g}/\text{m}^3$) were from the primary and duplicate samples collected from the video store section of the building. The average indoor air benzene concentration across all four indoor air samples was $2.4 \mu\text{g}/\text{m}^3$. It should be noted that benzene was also detected in the outdoor ambient air sample at a concentration of $1.3 \mu\text{g}/\text{m}^3$. This means that approximately half of the benzene in indoor air is likely due to ambient background benzene (e.g., car exhaust or other background sources) present in the outdoor air surrounding the building. It could also be concluded that contaminants of concern detected in indoor air at concentrations exceeding outdoor air concentrations are due to either indoor sources or from the gasoline contamination remaining in subsurface soil and groundwater at the site.

Exposure Pathways Identified

Human health exposure pathways and contaminant migration pathways were evaluated in this decision document.

The exposure pathways for human health included: indoor and outdoor inhalation; ingestion of soil; dermal contact with soil; and ingestion of groundwater or surface water.

Asphalt or concrete pavement currently covers most of the affected property. This minimizes the possible exposure pathways of ingestion, dermal contact, and outdoor inhalation. However, there may be exposure issues if contaminated soil is excavated.

Indoor air quality has been tested twice and shown to meet occupational-based indoor air target levels for benzene and BTEX. Because the BTEX concentrations are very low, indoor air does not pose an unacceptable risk to human health under occupational exposure. Two of four indoor air samples did exceed residential-derived health-based screening criteria as established by the USEPA. The building was not designed for residential use and has not been occupied residentially during the course of this project. If the building is converted to residential use in the future, additional testing and evaluation of indoor air quality for residential exposure should be considered at that time.

The groundwater ingestion pathway is not complete since this property and all developed and potentially affected properties are connected to the City of Homer community water service. In addition, all undeveloped, potentially affected properties have access to City of Homer public water service, and applicable City of Homer Code requires connection to the City's water service.

The contaminant migration pathways that were evaluated include: migration to groundwater; migration to surface water, and migration to indoor air.

The migration to groundwater pathway is considered complete because GRO and BTEX contamination is present in groundwater. GRO and BTEX contamination in groundwater does likely exceed the groundwater cleanup levels in localized areas, and soil contamination remaining in those areas may continue to impact onsite groundwater quality.

The surface water migration pathway is incomplete since surface water is not present in the affected area.

The indoor air migration pathway may be considered complete but indoor air quality meets NIOSH recommended exposure limits for occupational exposure as well as occupational derived health-based screening criteria established by the USEPA (2002).

Cleanup Levels

The soil cleanup levels established for this site are the 18 AAC 75.341, Tables B1 and B2 'migration to groundwater' pathway (under 40 inch zone) levels. The 'migration to groundwater' pathway is the most stringent soil cleanup level and will allow unrestricted closure if the levels are achieved.

The groundwater cleanup levels established for the site are the 18 AAC 75.345 Table C levels.

Table 1: Cleanup Levels for former Trailside General Store

Contaminant	Soil Cleanup Level (mg/kg)	Groundwater Cleanup Level (mg/L)
Benzene	0.02	0.005
Ethylbenzene	5.5	0.7
Toluene	5.4	1.0
Xylenes (total)	78	10.0
GRO	300	1.3

Bolded values indicate contamination remaining on site which exceeds these levels.

ADEC Decision

Based on the information provided to date, ADEC has determined that the cleanup actions employed at the former Trailside General Store were effective in removing the source(s) of contamination (ie USTs and associated systems) and the majority of

impacted soil. ADEC evaluated the soil and groundwater contaminant concentrations remaining on site and determined that, with the following conditions, it no longer poses an unacceptable risk to human health or the environment.

In accordance with this determination, ADEC will not require further remedial action at the former Trailside General Store site subject to the following conditions:

1. The asphalt pavement between the building and the Sterling Highway shall remain in place in order to limit precipitation infiltration into the ground and minimize exposure to any soil or groundwater contamination that may remain on site.
2. The owner and/or operator of this property shall not disturb the five remaining groundwater monitoring wells (MW-1, MW-3, MW-4, MW-7, and MW-12) and the groundwater interceptor and diversion system, including the 1000-gallon collector tank. Prior to soil excavation or any earthwork to a depth exceeding six (6) inches, ADEC shall be notified in order to locate and mark the location of these monitoring wells and system onsite, similar to a utility locate. In the event any of these items are damaged the property owner/operator shall, upon knowledge, notify ADEC promptly.
3. In accordance with 18 AAC 78.274(b), contaminated soil or groundwater may not be moved on site, or transported or disposed off-site without ADEC's prior written approval. The excavation of soil on this property near the Sterling Highway or Bowers Street right-of-ways, or in immediate proximity to the three sides of the building facing the Sterling Highway, may expose residual soil contamination requiring proper safety, management, and disposal practices. Any person(s) intending to excavate or move soils from these areas shall obtain ADEC approval before excavating soil in those areas. Subject to the requirements of AS 37.05.170, if residual contaminated soils on the site are to be excavated in the future, ADEC will, in its discretion, fund the preparation and implementation of a plan of operation to assess soil quality, sort contaminated soil/materials for proper management and disposal, identify the means of soil treatment and disposal and then implement necessary treatment or disposal of contaminated soil excavated in the future. These residual soils cannot now be excavated because of existing buildings, utilities and other structures on the site.
4. The owner and/or operator of this property shall allow reasonable access to the property to ADEC (and its contractors) to perform contamination investigation, assessment, monitoring or cleanup operations in response to residual soil and groundwater contamination.
5. No groundwater wells may be installed on this property without the review and approval of ADEC. The property is currently served by the City of Homer public water system as required by Homer City Code 17.04.150.

In accordance with 18 AAC 78.276(f)(2), ADEC may require additional assessment and/or cleanup action if future information leads to a revised determination that this site poses an unacceptable risk to human health or the environment.

These conditions remain in effect until a written determination from ADEC is issued stating that soil and groundwater at the site have been shown to meet the applicable soil and groundwater cleanup levels.

This decision involving the indoor air exposure pathway is based on occupational exposures to indoor air quality. The building is not constructed for residential use and has not been occupied residentially during the course of this project. Two of four indoor air samples did exceed residential-derived health-based *screening criteria* as established by the USEPA. Exceedance of screening criteria doesn't mean the building is unsafe for residential use, but it does imply further evaluation is warranted for residential exposure. If the building is converted to residential use in the future, additional testing and evaluation of indoor air quality for residential exposure should be considered at that time. ADEC or its agents may periodically conduct groundwater or air quality sampling at this site. Should ADEC determine that groundwater quality meets the applicable groundwater cleanup levels, and that no further groundwater monitoring is required, ADEC will decommission the 5 remaining groundwater monitoring wells.

In order to document the nature and extent of any contamination remaining at this property and to record any requirements or restrictions that apply to the property, the attached Notice of Environmental Cleanup and Residual Soil and Groundwater Contamination shall be recorded with the State of Alaska Land Recorder's Office. ADEC will file this notice for recording. In addition, ADEC will enter an institutional control on the Contaminated Sites database for this project, noting that residual soil and groundwater contamination remains at this site and that long-term groundwater monitoring is required.

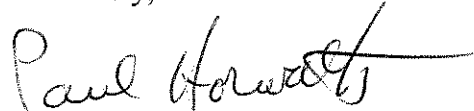
Site closure (without conditions) can be achieved when soil sampling confirms that all soil meets the 18 AAC 75.341 Tables B1 and B2 'migration to groundwater' cleanup levels and groundwater sampling confirms that groundwater meets the 18 AAC 75.345 groundwater cleanup levels.

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 Conditional Closure decision, or any of the conditions attached to this decision, please contact me at (907) 262-5210 extension 250.

Sincerely,

A handwritten signature in black ink that reads "Paul Horwath". The signature is written in a cursive style with a long horizontal stroke extending to the right.

Paul Horwath
Environmental Engineer

Attachments: 1) SLR's January 2006 Additional Monitoring and Risk Evaluation Report
2) Notice Of Environmental Cleanup And Residual Soil And Groundwater Contamination
3) Settlement Agreement and Release; Site Access Agreement

cc: Breck Tostevin, AGO/Anchorage