THE STATE of ALASKA
GOVERNOR BILL WALKER

Department of Environmental Conservation

DIVISION OF SPILL PREVENTION AND RESPONSE
Contaminated Sites Program

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File No: 102.38.177

July 13, 2016

Certified Mail, Return Receipt Requested
Article No. *7012 2210 0002 1216 1561*

Ric Medlang
K&L Distributors
945 Elizabeth Street
Fairbanks, AK, 99701

Daniel Levine
Fairbanks Beer Holdings, Inc.
C/O K&L Distributors, Inc.
PO Box 9300 Renton, WA, 98057-9300

Re: Decision Document: K&L Distributors, 945 Elizabeth Street
Cleanup Complete Determination – Institutional Controls

Dear Mr. Medlang and Mr. Levine:

The Alaska Department of Environmental Conservation (DEC) has completed a review of the environmental records associated with the K&L Distributors at 945 Elizabeth Street, Fairbanks, Alaska. 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 will be required as long as the institutional controls are maintained and effective, and no new information becomes available that indicates residual contamination poses an unacceptable risk.

This Cleanup Complete with Institutional Controls (ICs) determination is based on the administrative record for the property at 945 Elizabeth Street, which is located in the office of DEC in Fairbanks, Alaska. This decision letter documents the site history, cleanup actions, regulatory decisions, and specific conditions required to effectively manage remaining contamination at this site.

Site Name and Location:
K&L Distributors
945 Elizabeth Street
Fairbanks, AK 99709

DEC Site Identifiers:
File No: 102.38.177
Hazard ID: 26157

Name and Mailing Address of Contact Party:
Daniel Levine
Fairbanks Beer Holdings, LLC
c/o K&L Distributors, Inc.
P.O. Box 9300
Renton, WA 98057-9300

Regulatory Authority for Determination:
18 AAC 78

Site Description and Background

The area is within an industrial park, surrounded by businesses and warehouses involved in trucking, moving, storage, and distribution. Soils in the area are derived from alluvial-plain deposits, and typically include unconsolidated sandy gravels and gravelly sands, overlain by silt. The site is less than a half mile from the Chena River and approximately 4 miles from the Tanana River. Groundwater generally flows to the west-northwest and is typically around 12-14 feet below ground surface (bgs). K&L Distributors and many surrounding properties are serviced by public utilities for potable water.

On July 7, 2013, DEC was notified that diesel contaminated soil was discovered during the removal of a 1,500-gallon #2 heating oil tank at the K & L Distributors facility located at 945 Elizabeth Street in Fairbanks, Alaska. Staff within DEC's Pollution Prevention and Response Program responded to the reported spill of unknown quantities. Response activities included excavation of an estimated amount of 40-50 cubic yards contaminated soils which were stockpiled, sampled and transported to OIT for treatment and disposal. The site was transferred to the Contaminated Sites Program on November 8, 2013.

Contaminants of Concern

During the investigations at this site, soil and groundwater samples were analyzed for diesel range organics (DRO), gasoline range organics (GRO), residual range organics (RRO), benzene, toluene, ethylbenzene and xylenes (BTEX), and polynuclear aromatic hydrocarbons (PAHs).

Based on these analyses and knowledge of the source area, the following Contaminants of Concern were detected above DEC cleanup levels in soil and groundwater:

- Diesel range organics (DRO)
- Gasoline range organics (GRO)

Cleanup Levels

Diesel range organics were detected in soil above the default Method 2 migration to groundwater cleanup levels for the under 40-inch precipitation zone, established in 18 AAC 75.341(d), Table B2.

DRO and GRO were detected in groundwater above the approved cleanup levels established in 18 AAC 75.345 Table C.

An alternative migration-to-groundwater cleanup level of 628 mg/kg for DRO has been set for this site. Sufficient site characterization has been completed and the Contaminated Sites Program has determined, through the review of site specific analytical data, that as of 2015, the DRO remaining in the soil has achieved steady-state equilibrium and is not resulting in the contamination of groundwater at the site.

Table 1 – Approved Cleanup Levels

Contaminant	Soil (mg/kg)	Groundwater (mg/L)	Surface Water (ug/L)
DRO	628[1]	1.5	N/A
GRO?			

mg/kg = milligrams per kilogram
mg/L = milligrams per liter
ug/L = micrograms per liter
[1] – Migration to groundwater pathway, Method 3 ACL

Characterization and Cleanup Activities

After the tank was removed, approximately 57 cubic yards of contaminated soil was removed from the excavation and transported to OIT for thermal treatment. Field screening was conducted throughout the excavation and stockpiled soils using a photoionization detector (PID), and heated headspace measurements were collected to determine the location of soil analytical sampling points. Twenty-eight field screening samples were collected during the UST closure and site characterization.

Based on field screening results, analytical samples were taken from the sides and base of the excavation to characterize the remaining contaminated soils. The soil sample results indicated DRO was present above the default cleanup level, particularly along the west sidewall and at the base of the excavation (eastern end) at 7.5 feet bgs. DRO concentrations ranged from 301 to 628 mg/kg. The remaining contamination in the soil is primarily under the southeast corner of the building where removal would threaten the foundation of the building. Passive aeration piping was installed to address the remaining contaminants in the soils and vent any vapors away from the building.

Three groundwater monitoring wells were installed to document groundwater location, direction of flow, and the amount and type of contaminants in the groundwater from the leaking UST. Groundwater was monitored for three years: 2013, 2014, and 2015. DRO was detected up to 2.89 mg/l in MW-1 in 2013 and 2015, GRO was detected up to 1.33 mg/l in MW-1 in 2013. After 2013, MW-2 and MW-3 did not have GRO or DRO over DEC's cleanup level in Table C. MW-1 did not have groundwater samples measure over DEC's cleanup level for GRO after 2013, while DRO remained at levels over the cleanup level all three years.

Contaminants in the groundwater have decreased in all but one monitoring well. Diesel range organics remain above the cleanup level in the monitoring well near the former tank location, where it has remained at the same level during the three years sampled.

A vapor intrusion survey to assess indoor air quality of the K&L main warehouse and office building adjacent to the release area was conducted in early 2016. Eight analytical indoor air samples (including one duplicate sample) were collected and analyzed for benzene, toluene, ethylbenzene, total xylenes, and naphthalene by EPA Method TO-17. Although benzene, toluene, ethylbenzene, total xylenes, and naphthalene were found in the air samples, all contaminants were below the commercial vapor intrusion target levels set by DEC. Based upon the analytical results, the indoor air quality in the commercial building is not exceeding indoor air target levels for identified contaminants of concern.

Cumulative Risk Evaluation

Pursuant to 18 AAC 75.325(g), 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 non-carcinogenic risk standard at a hazard index of 1 across all exposure pathways.

Based on a review of the environmental record, DEC 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 DEC's Exposure Tracking Model (ETM). Exposure pathways are the conduits by which contamination may reach human or ecological receptors. ETM results show all pathways 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 remains in the sub-surface, but is below direct contact and ingestion cleanup levels.
Inhalation – Outdoor Air	De Minimis Exposure	Contamination remains in the sub-surface, but is below outdoor inhalation cleanup levels.
Inhalation – Indoor Air (vapor intrusion)	De-Minimis Exposure	Soil gas data collected within the warehouse confirmed that concentrations were below target levels for a commercial setting. The remaining contamination is limited and located beneath the building. Vapor intrusion is not likely to happen in other buildings constructed in the future.
Groundwater Ingestion	Exposure Controlled	Residual groundwater contamination is still present on site, but the area is served by a public water system. An NEC has been recorded restricting installation of new water wells without prior ADEC approval.
Surface Water Ingestion	Pathway Incomplete	Surface water is not used as a drinking water source in the vicinity of the site.
Wild and Farmed Foods Ingestion	Pathway Incomplete	Contaminants of concern do not have the potential to bioaccumulate in plants or animals.
Exposure to Ecological Receptors	Pathway Incomplete	Contamination is only present in the sub-surface, surface waters are over 0.5 km away, and the site is in an industrial complex.

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 and groundwater above default cleanup levels in an area near the southern edge of the warehouse; however, DEC has approved alternative soil cleanup levels and the use of institutional controls to limit potential future exposure and risk to human health or the environment.

A Notice of Environmental Contamination will be recorded in the State Recorder's Office documenting the presence of contamination on this property. A copy will be sent after the recording.

Institutional controls necessary to support this closure determination include:

1. Sub-surface soil contamination is located underneath the warehouse. When the building is removed and/or the soil becomes accessible, the soil must be evaluated and contamination addressed in accordance with an ADEC approved work plan.
2. A restriction on installing groundwater wells or using groundwater from the site without ptior DEC approval.

Standard site closure conditions that apply to all sites include:

1. Any proposal to transport soil or groundwater off-site requires ADEC approval in accordance with [18 AAC 75.325(i) or 18 AAC 78.600(h)]. A "site" as defined by [18 AAC 75.990 (115) or 18 AAC 78.995(134)] means an area that is contaminated, including areas contaminated by the migration of hazardous substances from a source area, regardless of property ownership. (See attached site figure.)

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

3. Groundwater throughout Alaska is protected for use as a water supply for drinking, culinary and food processing, agriculture including irrigation and stock watering, aquaculture, and industrial use. Contaminated site cleanup complete determinations are based on groundwater being considered a potential drinking water source. In the event that groundwater from this site is to be used for other purposes in the future, such as aquaculture, additional testing and treatment may be required to ensure the water is suitable for its intended use.

DEC has determined the cleanup is complete as long as the institutional controls are properly implemented and no new information becomes available that indicates residual contamination may pose an unacceptable risk.

The DEC Contaminated Sites Database will be updated to reflect the change in site status to "Cleanup Complete with Institutional Controls" and will include a description of the contamination remaining at the site.

The institutional controls will be removed in the future if documentation is provided that shows concentrations of all residual hazardous substances remaining at the site are below the levels that allow for unrestricted exposure to, and use of, the contaminated media and that the site does not pose a potential unacceptable risk to human health, safety or welfare, or to the environment. Standard conditions 1-3 above will remain in effect after ICs are removed.

This determination is in accordance with 18 AAC 75.380 and does not preclude DEC from requiring additional assessment and/or cleanup action if the institutional controls are determined to be ineffective or if new information indicates that contaminants at 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 – 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.

If you have questions about this closure decision, please feel free to contact me at (907) 451-2911.

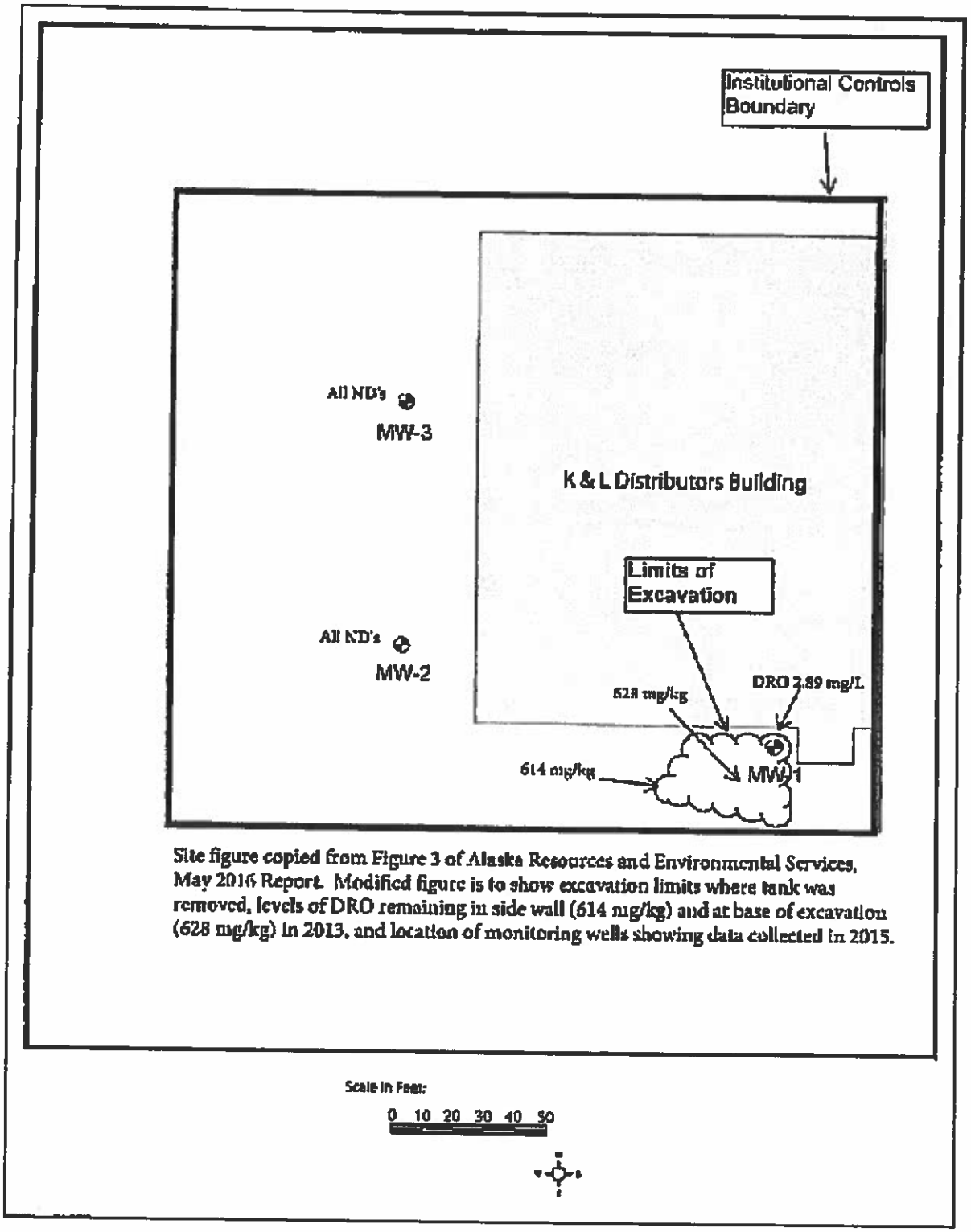
Sincerely,

Laura Jacobs
Project Manager

Attachments:

- Site Figure showing extent of residual soil/groundwater contamination and bounded for areas covered by institutional controls.
- Copy of NEC-IC Agreement.

Ecc: Lyle Gresehover, Project Manager, Alaska Resources and Environmental Services, LLC
Spill Prevention and Response, Cost Recovery Unit



Site figure copied from Figure 3 of Alaska Resources and Environmental Services, May 2016 Report. Modified figure is to show excavation limits where tank was removed, levels of DRO remaining in side wall (614 mg/kg) and at base of excavation (628 mg/kg) in 2013, and location of monitoring wells showing data collected in 2015.

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

K&L Distributors, Inc. agrees to the terms and conditions of this Corrective Action Complete Determination, as stated in decision letter for the K&L Distributors, 945 Elizabeth Street, dated July 11, 2016. 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).

Richard K Medlang EVP/COO
Signature of Authorized Representative, Title
K&L Distributors, Inc.

07/12/2016
Date

Richard K Medlang
Printed Name of Authorized Representative, Title
K&L Distributors, 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 at the address on this correspondence within 30 days of receipt of this letter.