



THE STATE
of **ALASKA**
GOVERNOR BILL WALKER

Department of Environmental
Conservation

DIVISION OF SPILL PREVENTION AND RESPONSE
Contaminated Sites Program

43335 Kalifornsky Beach Rd
Suite 11
Soldotna, Alaska 99669
Main: (907) 262-5210
Fax: (907) 262-2994
www.dec.alaska.gov

File: 2638.38.001

Certified Mail, Return Receipt Requested
Article No. 7016 1970 0000 3403 8410

February 22, 2018

Michael C Shupe, Registered Agent
Polar Equipment, Inc.
1035 W Northern Lights Blvd
Anchorage, AK 99503

Re: Cook Inlet Processing - Uganik
Hazard ID: 3941

Dear Mr. Shupe,

**** STATE OF ALASKA NOTIFICATION – HAZARDOUS SUBSTANCE LIABILITY ****

This notification letter is to advise you of your liability for the contamination identified at the Cook Inlet Processing - Uganik "site" located in Uganik Bay, Kodiak Island. Alaska Statute (AS) Title 46 authorizes the State to respond to this pollution incident and to take appropriate action to minimize potential damage to human health, safety or welfare or to the environment. Under Title 46, any Responsible Party may be held financially responsible for any actions taken by the State.

AS 46.03.822 (Strict Liability for the Release of Hazardous Substances) establishes who is financially responsible or liable for the investigation and cleanup of any release or threatened release of a hazardous substance. State records indicate that you meet one or more of the following criteria:

- ☐ owned or controlled the hazardous substance at the time of its release;
- ☐ own(ed) or operate(d) the property or facility from which the release occurred;
- ☒ own or operate the property at which the hazardous substance came to be located; or
- ☐ arranged for transport, disposal or treatment of hazardous substances that were released.

Site History and Background

GeoEngineers, Inc., completed environmental assessment work at the Uganik Bay processing facility in 2002 for Ocean Beauty Seafoods, Incorporated. The Alaska Department of Environmental Conservation (ADEC) received a copy of the GeoEngineers' June 18, 2002 Phase II Environmental Site Assessment report in July, 2002. Soils were sampled on the sloping hillside just inland from the

February 22, 2018

processing buildings, and diesel range organics (DRO) contamination was detected in multiple locations at concentrations exceeding ADEC soil cleanup levels. The DRO contamination is attributed to heating oil and diesel fuel spills and releases associated with the storage and conveyance of these fuels at this facility.

The Cook Inlet Processing - Uganik site is entered in the ADEC contaminated sites database, which is accessible on-line at the following URL:

<http://dec.alaska.gov/Applications/SPAR/PublicMVC/CSP/SiteReport/3941>

Cost Recovery for State Oversight

AS 46.04.010 (Reimbursement for Cleanup Expenses) and 46.08.070 (Reimbursement for Containment and Cleanup) require that the Alaska Department of Environmental Conservation (ADEC) seek recovery of certain costs, including oversight activities, incurred by the State in responding to the release or threatened release of hazardous substances. Billable oversight expenditures include the direct cost of staff time plus indirect State overhead costs, and could include travel and contractual costs. Billable staff time includes all time spent on activities related to the incident, including site inspections, response and report reviews, correspondence, telephone conversations, meetings, and legal services.

Potential for Future State Action

If you are taking adequate actions to clean up this site, ADEC's involvement in those cleanup efforts will be limited to approving characterization and cleanup plans and reports, monitoring the progress of cleanup activities, and providing guidance as necessary. However, if response actions by the Responsible Party are not satisfactory, ADEC may assume the lead role in the investigation and cleanup efforts. In the event that ADEC assumes the lead role, you may be held financially liable for any response actions taken by the State. Failure to reimburse the State for billable oversight and response actions incurred by the State to address contamination at this site may result in the filing of liens against property you own, pursuant to AS 46.08.075.

You will be receiving a separate letter requesting actions to conduct necessary site characterization or cleanup activities. If you have specific questions regarding the investigation and cleanup of this site or if you believe someone else may be responsible for this pollution incident, you can reach me at (907) 262-3422 or via email at paul.horwath@alaska.gov

If you have questions about your liability under Alaska Statute, or you have questions about cost recovery and the billing process, please contact ADEC's Cost Recovery Unit by phone at (907) 465-5250 or by email at dec.spar.cr@alaska.gov.

Sincerely,



Paul Horwath
Project Manager
ADEC Contaminated Sites Program

cc: SPAR Cost Recovery Unit, via email dec.spar.cr@alaska.gov