STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION

DIVISION OF SPILL PREVENTION AND RESPONSE
CONTAMINATED SITES PROGRAM

555 Cordova Street
Anchorage, AK 99501-2617
Phone: (907) 269–7578
Fax: (907) 269–7649
http://www.state.ak.us/dec/

June 14, 2004

J.H.M. Investments
Attn: Jim Johnson
4551 Fairbanks Street, Suite A
Anchorage, AK 99503

RE: **No Further Remedial Action Planned and Institutional Control (NFRAP/IC) Record of Decision** for 4748 Old Seward Hwy, Anchorage, Alaska
File #: L55.192, Spill #: 1994210022003, Event ID #: 404, Facility ID #2470

Dear Mr. Johnson:

The Department's Contaminated Sites Program reviewed the site assessment, monitoring, and corrective action reports associated with the above referenced site. Based on the information provided to date, the Department has determined that soil and shallow groundwater contamination remaining at the site exceeds the established cleanup levels but does not pose a risk to human health, safety, welfare or the environment. As a result of this determination, no further cleanup action at the site is required at this time. However, please find enclosed the decision document used in making this determination and the Department's decision regarding the environmental status of this site.

The Department has determined that no further remedial cleanup action is required at this site. The USTs and much of the soil has been removed and the benzene, GRO and DRO contamination in the shallow groundwater appears to be confined to the areas shown on the attached site maps.

The NFRAP status indicates that contamination exceeding established cleanup levels is present at the site (both on and off Johnson Nissan property) but further cleanup action is not required because the contamination does not pose a risk to human health or the environment. An Institutional Control status will be attached to this site that indicates measures have been employed to minimize the risk of contamination remaining there and provide the owners and/or operators of the situation, including the deed notice.

The attached "Notice of Environmental Groundwater Contamination" will need to be recorded on the property deed no later than July 2004 as a condition of receiving No Further Remedial Action Planned/Institutional Control (NFRAP/IC) status for your property.

Please be aware that this NFRAP decision by the Department does not preclude any action that may be required by you to comply with the Environmental Protection Agency (EPA)

Underground Injection Well (UIC) regulations because of the monitoring wells that acted temporarily as injection wells at the subject site. Final closure of injection wells require 30 day prenotification with EPA prior to closure with the UIC program and additional action may be required. Please contact Mr. Thor Cutler of EPA (206-553-1673) regarding what actions, if any, are required by his agency.

Lastly, as we previously informed you on November 20, 1997 and December 21, 2001, the State of Alaska is authorized, under Federal regulation 42 U.S.C. 699 1 b(h), to recover funds used during oversight of a petroleum cleanup from a leaking underground storage tank (LUST). The State is also authorized by Alaska Statute 46.08.070 to recover money expended by the department to contain or cleanup the release of oil or a hazardous substance, including petroleum. "Oversight" costs can include department staff salaries, travel, equipment, supplies, contracts and services, and general program management. Typical cost expenditures for staff time can include, but are not limited to: performing plan reviews; drafting approval letters; attending site meetings; offering technical assistance via phone; and doing site visits or inspections. Costs eligible for recovery include department staff salaries, travel, equipment, supplies, contracts and services, and general program management. Please be aware that in the near future, the State through the Department of Law will be sending you a bill for the Department's oversight of this contaminated site.

Please call Rich Sundet (907) 269-7578 if you have questions or comments regarding this determination.

Sincerely,

Jim Frechione
Environmental Manager

Attachments: Location Figures 4, 5 and 6 – Area of benzene, GRO and DRO contamination in the shallow groundwater
Notice of Environmental Groundwater Contamination
Record of Decision

cc with attachments:
Rich Sundet, CSP Project Manager
Lotte Michael, Bond, Stephen, and Johnson Property Management
Heather Newman, DWP/ADEC, Anchorage
Mike Krueger, MOA
Rhonda Fehlen Westover, MOA
Thor Cutler, EPA Region X, OW-137
Charles Ronan, ChemTrack, Inc., Anchorage
Kay Rawlings, DOL, Anchorage
Veris Lunasin, DEC, Juneau

Notice of Environmental Groundwater Contamination

Pursuant to 18 AAC 78.280(d), J.H.M. Investments (Jim Johnson General Partner), as the owner of the subject property, hereby provides public notice that the property located at 4748 Old Seward Highway and more particularly described as: Lot 14, Block B, Rosebud Subdivision in Anchorage, Alaska has been subject to the release(s) of hazardous substances.

This site has been subject to a discharge or release and subsequent cleanup of oil and other hazardous substances, regulated under AAC 75, Article 3 and 18 AAC 78, Article 6, as amended January 30, 2003. This release and site cleanup is documented in the Alaska Department of Environmental Conservation (ADEC) underground storage tank database under facility identification number 2470, event identification number 404, spill number 199421002203.

Subject to this institutional control, ADEC reviewed and approved the cleanup actions as being protective of human health, safety, welfare and the environment. While soil and shallow groundwater contamination exceeding established cleanup levels is present at the site, the Department does not require additional cleanup action because the contamination does not pose a risk to human health, public safety, welfare, or the environment. The soil and shallow groundwater is contaminated primarily by benzene, gasoline range organics (GRO) and diesel range organics (DRO).

No further cleanup is necessary at this site unless ADEC determines that hazardous substance contamination may pose an unacceptable risk to human health, safety, welfare or the environment.

Attached are three figures that show a portion of the southeastern Johnson Nissan property boundary and locations of existing structures such as monitoring wells (Figures 4, 5 and 6). The figures show GRO, benzene and DRO historical concentrations and the applicable groundwater cleanup level for these constituents. In July 2003 and January 2004, GRO, benzene and DRO contaminant concentrations exceeded applicable groundwater cleanup levels on the Johnson Nissan property (e.g., at MW-2) as well as in January 2004 for benzene on property immediately down gradient of the Johnson Nissan property (i.e., at MW-8 and 12). Therefore, the estimated location and extent of remaining groundwater contamination is between at least MWs 1 and 12 on a north to south basis and between MWs 2 and 5 on a west to east basis. There is no current soil data but soil contamination exceeding established cleanup levels for GRO, DRO and BTEX constituents may remain in the area of the former UST excavation area, i.e., near MW-1

In the event that 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 is 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 characterization and cleanup may be necessary under 18 AAC 75.325-.390 and 18 AAC 78.600. Also, any transport, treatment, or disposal of any potentially contaminated soil or water from the site or use of the shallow groundwater at or near the contaminated area requires notification to and approval from the Department in accordance with 18 AAC 78.600(h).

This notice remains in effect until a written determination from ADEC is recorded that states that the soil and shallow groundwater at the site has been shown to meet the cleanup levels in Method 2 in 18 AAC 75.341 Table B1 and B2, and Table C in 18 AAC 75.345, respectively, and that use of the shallow groundwater is not a concern.

Please return original copy of this notice to the address below:

Signature: _____

Printed Name: Jim Johnson for J.H.M. Investments

Mailing Address: 4551 Fairbanks St., Suite A
Anchorage, AK 99503

(seal)

Subscribed and sworn to before me this 15 day of June, 2004.

Notary Public in and for the State of Alaska
My commission expires: 7/19/04

Note: Please refer to 11 AAC 05.010 (a)(14) for the required fee. The information requested on this form should be typed or legibly printed in English. Any attachments or exhibits must not exceed 8.5" x 14". This form is intended to comply with the recording requirements of AS 40.17.030 and 11 AAC 05.040.

Attachment: Location Figures 4, 5 and 6 – Area of Remaining GRO, Benzene and DRO Contamination in the Shallow Groundwater

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6 of 21
2004-092390-0

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File #: L55.192, Spill #: 1994210022003, Event ID #: 404, Facility ID #2470

Dear Mr. Johnson:

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The Department has determined that no further remedial cleanup action is required at this site. The USTs and much of the soil has been removed and the benzene, GRO and DRO contamination in the shallow groundwater appears to be confined to the areas shown on the attached site maps.

The NFRAP status indicates that contamination exceeding established cleanup levels is present at the site (both on and off Johnson Nissan property) but further cleanup action is not required because the contamination does not pose a risk to human health or the environment. An Institutional Control status will be attached to this site that indicates measures have been employed to minimize the risk of contamination remaining there and provide the owners and/or operators of the situation, including the deed notice.

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Please call Rich Sundet (907) 269–7578 if you have questions or comments regarding this determination.

Sincerely,

Rich Sundet for

Jim Frechione
Environmental Manager

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Charles Ronan, ChemTrack, Inc., Anchorage
Kay Rawlings, DOL, Anchorage
Veris Lunasin, DEC, Juneau

RECORD OF DECISION
for the
Johnson Nissan Site

June 14, 2004

Site name and location
The Johnson Nissan site is located at 4748 Old Seward Hwy. in Anchorage. The legal description of the property is Lot 14, Block B, Rosebud Subdivision, Anchorage, Alaska.

Name and mailing address of responsible person
J.H.M. Investments (Jim Johnson General Partner)
4551 Fairbanks St., Suite A
Anchorage, AK 99503

CS file number
File Number: L55.192

Regulatory authority
Site Cleanup Rules under 18 AAC 78.200 – 18 AAC 78.280

Site Maps
A copy of the Site map including the estimated boundaries of the contaminant plume by concentration at each monitoring well for each contaminant, i.e., GRO, DRO and benzene, is attached.

Physical characteristics of site
The site is located in an industrial/commercial section of Anchorage on the west side of the Old Seward Highway between International Road and Tudor Road. Most of the nearby businesses are car dealerships. The Johnson Nissan and adjacent businesses' parking lots, and nearby streets are paved with asphalt.

The subsurface soils are sandy gravel 3 to 7 feet underlain by silty sands. Groundwater levels fluctuate at this site. The groundwater levels in the immediate area of the contaminated area generally range between 7 to 10 feet below ground surface (bgs) but has been reported as high as 4.7 ft. bgs (August 2000) and to a depth of 15 ft. bgs (in 1994 at area of the UST excavation). Groundwater in the unconfined aquifer flows to the south-southeast at a gradient of between 0.01 ft./ft. (1995 by Dowl) and 0.025 ft./ft. (2002 by ChemTrack) and towards Campbell Creek which is approximately 1,500 feet from the site. Beneath the unconfined aquifer is a continuous layer of clay and silt known as the Bootlegger Cove formation. A confined aquifer is below the Bootlegger Cove formation.

Contaminants of Concern
BTEX constituents, Gasoline Range Organics (GRO), and Diesel Range Organic (DRO) contamination have been the Contaminants of Concern (COC) for soil and groundwater.

Since monitoring began in 1995 in the unconfined aquifer, GRO, DRO and BTEX constituent concentrations have exceeded 18 AAC Table C cleanup levels both on property and immediately down gradient of the Johnson Nissan property. While concentrations in groundwater have decreased over the past several years, concentrations continue to be above applicable cleanup levels in the unconfined aquifer both on and off property. The recent sampling of the shallow aquifer monitoring wells in July 2003 and January 2004 show that benzene, GRO and DRO remain above DEC cleanup levels on the property, and for benzene off property.
These COCs also had been detected above current 18 AAC 75.341 Table B1 Method 2 cleanup levels for benzene (up to 101 mg/kg) for the migration to groundwater pathway and inhalation pathway in the area of excavation in 1994. In this same area, volatile petroleum hydrocarbon (VPH similar to GRO) up to 8,000 mg/kg was detected. This concentration exceeds current 18 AAC 75.341 Table B2 GRO cleanup levels for the migration to groundwater, ingestion and inhalation pathways. Elsewhere on the site, monitoring well borings show that soil exceeded the 18 AAC 75.341 Method 2 migration to groundwater pathway for BTEX constituents, DRO and GRO. Since those borings were performed between 1994 and 1999 in which soil samples were collected and analyzed, no other soil sample has been collected and analyzed to assist in the evaluation to what degree the soil contamination has attenuated.

Current and expected future land use
Currently the land is privately owned and leased to Mr. Norm Little by J.H.M. Investments. Mr. Jim Johnson is the point of contact for J.H.M. Investments and is a General Partner with J.H.M. Investments. The property has been leased to Mr. Little since July 2000 and he has indicated he will continue to operate the "Custom Truck Center." Mr. Little plans to purchase the property from J.H.M. Investments in June 2004. The property and surrounding area is zoned for commercial purposes.

Determination of current and expected future use of groundwater
Currently the shallow aquifer is not used as a source of drinking water. A formal 18 AAC 75.350 determination has not been made regarding its future use but a qualitative decision based on DEC experience and knowledge of local groundwater allow an interim decision that it will unlikely be used as a drinking water source. This is based on quality and quantity issues associated with its shallow depth and the availability of quality groundwater at depth in the confined aquifer system. There is also a public water system in the area that could provide water to the site.

Even though the shallow groundwater may not be a drinking water source, it will be evaluated for its potential to be a contaminant transport mechanism. The shallow groundwater aquifer has been monitored since 1994 and it has consistently exceeded the 18 AAC 75.345 Table C levels for DRO, GRO and benzene. In order to restrict future use of the shallow groundwater, DEC will attach an institutional control to prevent future use of the water in the shallow aquifer.

There is reportedly a public drinking water well (Class C) on site drilled approximately is 65 ft. bgs. It extends through the Bootlegger Cove formation into the underlying confined aquifer. However, a well log is not available to confirm this matter. The water well is not used for drinking water purposes but only for shop purposes. Drinking water is provided to Mr. Little

and his employees through a bottled water vendor. The well is located on the west portion of the property about 100 feet cross gradient to the contamination to the west of the location of the formerly used USTs. The drinking water well has been sampled for petroleum constituents periodically since 1994. Records show that no petroleum constituents were detected in the water samples between 1994 and 2002.

It is anticipated that the deep well will be used by the Mr. Little until he purchases the property. Mr. Little has verbally informed DEC that he will connect the property to the Municipality of Anchorage's public drinking water system after he purchases the property from J.H.M. Investments then properly abandon the existing well. According to Messrs. Little and Johnson, the MOA water line is stubbed to the property but has not been connected to the properties water distribution system. DEC requests the drinking water well be continued to be sampled for DRO, GRO, BTEX on a scheduled frequency until it is disconnected and properly abandoned.

A drinking water survey was performed in 1995 by Dowl Engineers within 1,500 ft. of the site by reviewing USGS records. Nine drinking water wells were located and five of the nine were believed to be up-gradient of the site. One of the remaining four wells was found to have been decommissioned and the other three properties were found to be connected to the Anchorage Waste Water Utility (AWWU).

Completed Exposure Pathways

The exposure pathways evaluated under this decision include migration to groundwater, ingestion, dermal contact, and inhalation. The pathway to the deeper confined groundwater aquifer is not considered complete due to the thick Bootlegger Cove formation. This assumption must be confirmed by drinking water samples and compliance with established 18 AAC 75 and 18 AAC 80 standards. Also, this decision considered the groundwater as a transport mechanism to Campbell Creek which is located about 1,500 feet down-gradient and to the southeast of the site.

Soil: Currently the inhalation, dermal contact and ingestion pathways are incomplete because the site is paved with asphalt.

If pavement is removed, little possibility of exposure through ingestion and dermal contact exists because the soil contamination was located below the USTs or its associated piping or beginning about 5.5 ft. bgs. If pavement is removed, the inhalation of contaminants is a possibility and this pathway needs to be evaluated.

If excavation occurs in the area of contamination, the inhalation, dermal contact and inhalation pathways will be completed.

Groundwater: The migration to groundwater pathway could be considered complete – at least in the shallow unconfined aquifer. The unconfined aquifer can be considered as a drinking water source. There is also a deeper confined aquifer in which the existing drinking water well is installed. Currently the inhalation pathway from vapor migration from groundwater via soil pore spaces is not complete because area is paved over both on and off property.

SITE BACKGROUND HISTORY

Site background history was obtained from Dowl Engineers' *Release Investigation Report* dated April 1995.

The two USTs were reportedly installed in 1968 or 1969 by an owner previous to Johnson Nissan. The west UST was reportedly used to store diesel fuel and east UST to store gasoline. Use of the diesel UST reportedly stopped prior to 1984. Johnson Nissan occupied the property in 1984 and reportedly used only the gasoline UST to store and dispense gasoline from 1984 to 1994. The diesel UST was reportedly not used by Johnson Nissan.

The original dispenser system reportedly is under the shop/garage facility that currently exists on site. The addition to the shop/garage occurred in 1985 and during construction, the dispenser was allegedly moved to the 1994 location south of the USTs. Prior to the USTs removed in 1994, the site was covered with asphalt pavement then repaved after the USTs were removed.

SITE INVESTIGATION HISTORY

Underground Storage Tank Closure (Dowl Engineers)

An Underground Storage Tank Closure was performed by Dowl Engineers for this site in 1994. A report documenting the closure activities was dated September 1994. The report noted that the two 5,000 gallon USTs used to dispense gasoline (no reference to one of the USTs being formerly used to contain diesel was in this report) were removed in 1994, and petroleum contaminated soil was observed over and around the USTs during the closures. A split in the west UST dispenser pipe and a loose leaky fitting in the east UST dispenser pipe were believed to be the cause of the release. About 550 tons of contaminated soil was excavated and was thermally remediated off site in 1996. Contaminated soil remained in the excavation with benzene concentrations up to **101** mg/kg in the sidewalls, and volatile petroleum hydrocarbon (VPH) up to **8,000** mg/kg, and lead up to 25 mg/kg elsewhere in the excavation. Benzene and VPH concentrations were above applicable cleanup levels. Groundwater was not encountered with the depth of excavation to 15 ft. bgs.

Release Investigation (Dowl Engineers)

A Release Investigation was completed by Dowl Engineers for this site between December 1994 and March 1995. Its findings are documented in a Dowl report dated April 1995. Nine borings were drilled with six completed as monitoring wells, soil gas probes installed in one boring (B-4) and vapor extraction wells installed in the other two borings (B-6 and B-7). Groundwater in January 1995 was detected between 7.2 and 9.7 ft. bgs and flowed to the south southeast, i.e., towards Campbell Creek. Groundwater gradient at that time was about 0.01 ft/ft. in the area of the former USTs and about 0.004 ft./ft. in the area beneath the adjacent 48th Avenue.

During the investigation, Dowl performed a drinking water well survey within 1,500 ft. of the site by reviewing USGS records. Nine drinking water wells were located and five of the nine were believed to be up-gradient of the site. One of the remaining four wells was found to have been decommissioned and the other three were found to be connected to the Anchorage Waste

Water Utility (AWWU). A water sample was analyzed that was collected from the Class C well on site on October 4, 1994 and no petroleum hydrocarbons or volatile organic compounds (VOCs) were detected. Lead was detected at 0.011 mg/kg which was under its allowable limit of 0.015 mg/kg for a public drinking water system.

Below is an excerpt of soil and groundwater data from the report with those concentrations exceeding current 18 AAC 75.341 Method 2 and 18 AAC 75.345 Table C cleanup levels in bold:

Soil Contaminant Concentrations (in milligrams/kilograms)

Sample #-Depth	EPH	VPH	Benzene (0.02)	Toluene (5.4)	Ethylbenzene (5.5)	Total Xylenes (78.0)
B1-20.0	-	70.9	**2.21**	**6.27**	2.15	11.99
B2-5.5	**705**	-	-	-	-	-
B2-7.0	-	74.9	**3.34**	0.638	4.03	5.49
B2-14.5	-	22.6	**3.71**	**6.16**	0.651	3.50
B5-8.0	-	2.08	**0.317**	ND	0.068	0.099
B6-3.0	**398**	**1970**	ND(**4.65**)	**112**	**62.9**	**333**
B6-13.5	-	3.41	**0.121**	0.187	0.166	0.526
B7-7.0	-	130	**12.6**	0.44	0.669	3.81
B8-14.5	-	ND	**0.187**	ND	ND	ND

Depth in feet below ground surface.
- = not analyzed for.
ND = non detect.
EPH = extractable petroleum hydrocarbons (diesel range organics). 18 AAC 78 Method 2 cleanup levels for DRO for the migration to groundwater pathway in the under 40 inch precipitation zone is 250 mg/kg.
VPH = volatile petroleum hydrocarbons (gasoline range organics). 18 AAC 78 Method 2 cleanup level for GRO for the migration to groundwater pathway in the under 40 inch precipitation zone is 350 mg/kg.

Sample #	Groundwater Contaminant Concentrations (in milligrams/Liter)				
(Monitoring Well #)	VPH	Benzene (0.005)	Toluene (1.0)	Ethylbenzene (0.7)	Total Xylene (10.0)
MW-1	97.6	**14.6**	**27.6**	**2.79**	**14.8**
MW-2	156	**32.8**	**44.0**	**3.40**	**17.5**
MW-3	ND	ND	ND	ND	ND
MW-5	0.244	**0.128**	ND	ND	0.0017
MW-6	20.7	**1.53**	**3.74**	**0.792**	3.51
MW-8	3.25	**1.58**	0.0031	0.0048	0.0087
MW-9	ND	ND	ND	ND	ND

VPH or gasoline range organics. 18 AAC 75.345 Table C cleanup level for GRO is 1.3 mg/L.

Groundwater Monitoring and Further Assessment (Shannon & Wilson)
A groundwater investigation was initiated in the winter of 1994-95 by Dowl Engineers that monitored the unconfined aquifer and sampled the on site Class C drinking water well. Groundwater contamination was detected in five (5) of seven (7) monitoring wells above the 18

AAC 75.345 Table C cleanup levels. No petroleum contamination was detected in the drinking water well.

In December 1999, Shannon & Wilson (S&W) reported the results of their November 15, 1999 groundwater monitoring effort at the site. The report also provided a summary of groundwater sampling data from monitoring events that occurred on: December 1994-January 1995; July 1995; and March 1996. No other information has been provided to DEC regarding the July 1995 or 1996 sampling effort other than the summary information stated in the 1999 S&W report. The 1999 report shows that only monitoring wells (MWs) B-2, B-5, B-6VE and B-8, and the Class C well were sampled during all four monitoring events. All four monitoring wells exceeded benzene cleanup criteria during each of the monitoring events ranging from 0.128 to 32.8 mg/L with MWB-2 having the highest concentration. GRO, toluene and ethylbenzene also exceeded applicable cleanup thresholds.

The 1999 report concluded that GRO and benzene is decreasing in MW B-8 which is about 100 feet down gradient of the former USTs and concluded that natural attenuation was working. The report also concluded that GRO continued to increase in MWs B-5 and B-6VE indicating that petroleum contaminants were leaching from the soil to the groundwater. DEC responded to the report noting that limited data exists to support the conclusion that natural attenuation was occurring at MW-8 and further information was needed regarding seasonal groundwater flow and what impact that seasonal flow has to contaminant concentrations.

The 1999 report provided analytical data for the Class C well that was resampled on November 15, 1999. The results showed non detect for GRO and BTEX constituents, which was the same as from the previous March 4, 1996 sampling effort.

No information was provided in the S&W report (or in the Johnson Nissan file) whether the vapor extraction wells and one air sparging wells operated.

In a May 5, 2000 S&W workplan, S&W reports that Environmental Project Management (EPMI) of Boise, Idaho, performed additional investigation at the site in December 1996 in order to propose and design a bioaugmentation remediation approach. Review of the DEC file does not show any workplan submitted by EPMI for this work nor is there any record that the work was approved. The 2000 S&W workplan states that an additional six (6) borings were drilled and one was completed as a monitoring well (MW B-10) were installed by EPMI in December 1996 and sampled for GRO, DRO and BTEX constituents in MWs B-1, B-2, B-5, B-6VE, B-8, B-10. The soil data showed that benzene and GRO was the highest in borings B-12 (87.6 mg/kg and 7,550 mg/kg, respectively) and B-15 (44.4 mg/kg and 1,750 mg/kg, respectively). The groundwater data showed similar GRO, benzene, toluene, ethylbenzene, and xylene concentrations as from the Dowl 1995 groundwater investigation. DRO concentrations ranged from 0.393 mg/L (MW B-10) to 9.81 mg/L (MW B-2).

The 2000 S&W plan also reported that S&W drilled two borings (B-16 and B-17) in the area of the former UST excavation. However, the plan does not state when this occurred. Review of the Johnson Nissan file also does not show that any plan was submitted for this work nor was the

work approved. The plan states that clean gravel had been used (by Dowl) to backfill the excavation in 1994 and the clean fill was separated from the excavation by polyethylene sheeting. Soil samples collected from the backfill material and soils beyond the former excavation limits. The investigation indicated that the backfill material was contaminated by the surrounding soil contamination presumably the result of vapor migration. One sample collected between 5 and 7 ft. bgs contained 950 mg/kg GRO and 30.5 mg/kg benzene while the other sample from a depth of 10 to 12 ft. bgs contained 578 mg/kg GRO and 13.3 mg/kg benzene.

Further Groundwater Monitoring and Assessment (ChemTrack, Inc.)
In spring 2002, ChemTrack proposed to perform remediation at the site using a mixture of food grade surfactants by injecting the mixture into several of the monitoring wells existing on the property. DEC required further characterization prior to approving such a remedial plan to delineate the down-gradient extent of the contaminant plume. The use of the monitoring wells would also be considered "injection wells" that would also be regulated by the Environmental Protection Agency (EPA).

On April 18, 2002, DEC issued Mr. Johnson a letter that approved ChemTrack's April 7, 2002 proposal to install two monitoring wells down gradient from the existing wells to assist in defining the leading edge of the contaminant plume. MWs 11 and 12 were installed on April 29, 2002 and subsequently sampled on June 7, 2002 along with MWs 1, 2, 3, B-6VE, 8, 9, and 10, and the Class C well. ChemTrack also performed other groundwater monitoring beginning in association with their remedial action that they implemented in fall 2002. ChemTrack monitored the groundwater on:

September 16, 2002 (MWs-1, 2, 6, and 8);
October 23, 2002 (MW-14);
May 6, 2003 (MWs 8, 11, and 12);
May 8, 2002 (MW-8);
July 18, 2003 (MWs 2, 8, 11, 12, and 15); and,
January 20, 2004 (MWs 11 and 12).

As noted above, ChemTrack collected a water sample from the Class C well on June 7, 2002. It showed non detect for GRO, and BTEX constituents which was similar to previous sampling performed in 1994, 1996 and 1999.

CLEANUP ACTIONS

Bioaugmentation Effort (Environmental Project Management, Inc.)
During discussions on potential remedial work that may be undertaken by ChemTrack in 2002, Mr. Johnson verbally reported that EPMI performed some bioremediation at the site in 1996. No written documentation exists in CSP's Johnson Nissan file of the bioremediation work that EPMI performed at this site. The only written reference of EPMI is in the 2000 plan by S&W.

Surfactant Use by ChemTrack, Inc.
On April 18, 2002, DEC issued Mr. Johnson a letter informing him of the agencies concerns of the proposal to use surfactants in which they mobilize contaminants thus there is a high risk to spread the contamination further than normal unless an adequate monitoring and recovery system is implemented. Mr. Johnson was also provided a DEC letter to ChemTrack dated February 12, 2002 that discussed the potential use of food grade surfactant for aquifer and soil remediation, and the need for strict controls if this remedial technique would be used at a site.

On August 12, 2002, DEC and EPA conditionally approved ChemTrack's remediation plan received on July 10, 2002. The plan proposed to pilot demonstration to inject a solution of a dilute (<2%) food grade surfactant (Aerosol OT-75%, i.e., 75% sodium dioctyl sulfosuccinate) and (2%) isopropyl alcohol water mixture with non-pathogenic microbes. The plan stated that about 100 gallons of surfactant solution would be injected, allowed to equilibrate within the formation for 48 hours, then recovered. At 2 and 4 weeks after injection and recovery of the surfactant solution, the plan noted that groundwater samples would be collected to assess the hydrocarbon remediation. Conditions DEC and EPA imposed included, but not limited to, the injection of the surfactant/microbe mixture would be only in MWs 1, 2 and 6VE; recovery of the treated groundwater would be in MWs 1, 2 and 6VE, and additional recovery could be performed in MWs 5, 8, 9, 11 and 12 dependent upon monitoring results and only if those results show increased contaminant concentrations in those wells; and, periodic monitoring occur in MWs 1, 2, 5, 6VE, 8, 11 and 12. While the plan proposed a long-term monitoring schedule and closure criteria, the agencies letter noted that long-term monitoring and closure was premature to discuss at the time and the agencies would discuss upon review of initial data.

On December 13, 2002, DEC was verbally informed by ChemTrack that the treatment and recovery of the injected surfactant solution had ceased because of freezing temperatures. DEC followed-up that conversation with a letter dated January 16, 2003 that requested information as required in its August 12, 2002 conditional approval letter regarding the injection, recovery of contaminated groundwater and monitoring results.

ChemTrack provided brief reports dated September 6, 2002, and interim status reports dated September 30, 2002 and February 23, 2003. The reports show that initial surfactant solution injection began on August 17, 2002 and continued periodically until November 8, 2002 in MWs 1, 2, 6VE, 13, 14 and 15. Clean water also was injected during these times in MWs 1, 6VE, 10, 13, 14 and 15. Recovery of surfactant solution/water occurred periodically during this time period at MWs 1, 2, 6VE, 8, 13, 14 and 15. From the two interim status reports, a total of 3,257 gallons of surfactant and 79,224 gallons of water were injected, and 73,166 gallons of surfactant solution/water was recovered and disposed of in the nearby AWWU sanitary sewer system. All injection and recovery, and monitoring of the treatment system ceased on November 11, 2002 because of freezing temperatures according to the February 23, 2002 report.

On March 21, 2003, the agencies provided comments regarding the February 23, 2003 interim status report in which they noted among other issues that monitoring should have continued even if freezing began to determine whether recovery of groundwater should continue because surfactants increase mobility; that all of the monitoring wells that were to be sampled per their

August 12, 2002 conditional approval letter were not monitored; could not agree with ChemTrack's hypothesis that off site migration is decreasing and is attributable to a removal of the up-gradient contaminant source because the mobilized contaminants may have migrated beyond MW-8 between the periodic monitoring events; and , recovery of large volumes of water occurred at the down gradient MW-8 which was not approved by the agencies as a principal recovery well, only as a safety net recovery well.

Groundwater monitoring subsequently occurred on May 6 and May 22 (MWs 8, 11 and 12), July 21, 2003 (MWs 2, 8, 11, 12, 15), and on January 20, 2004 (MWs 11 and 12). In a submittal dated March 4, 2004, ChemTrack requested a NFRAP determination for this site based upon a decreasing groundwater contaminant trend, no drinking water wells within ¼ mile (which is incorrect as Johnson Nissan has a Class C well), no dermal or inhalation exposure from the soil and groundwater exists because the site is paved over, and that it is unlikely that contamination could migrate to Campbell Creek which is the nearest ecological receptor that is 1,500 ft. down gradient. The submittal also included a historical summary of groundwater data for benzene, GRO and DRO from various consultant's sampling effort.

The March 4, 2004 submittal showed the following in several key monitoring wells for GRO, benzene and DRO:

- GRO in MW-8 fluctuated between 1995 and June 2002 when it decreased to 2.5 mg/L, then increased to 3.8 mg/L (after surfactant injection), then significantly decreased to 0.8 mg/L in July 2003 (Figure 4). At MW-12, GRO was non detect prior to surfactant injection in June 2002, then increased post surfactant injection slightly before no detection was observed in January 2004. On property, GRO continues to show exceedances above the 1.3 mg/L Table C cleanup such as at MW-15 at the most down gradient edge of the Johnson Nissan property at 78.4 mg/L (July 2003).
- Benzene in MW-8 fluctuated between 1995 and June 2002 when it increased to 3.60 mg/L then decreased to 0.69 mg/L post surfactant injection, then rose to 1.53 mg/L in May 2003 and decreased significantly to 0.33 mg/L in July 2003 (Table 5). At MW-11 no benzene was detected prior to surfactant injection but then detected 0.004 mg/L in July 2003. At MW-12, benzene was detected at 0.004 prior to surfactant injection then increased to 0.237 mg/L in July 2003 or 11 months after surfactant injection, then decreased to 0.0228 mg/L in January 2004. On property, MW-2 and 15 show continued levels of benzene above Table C cleanup levels at 10.2 and 10 mg/L, respectively, in July 2003.
- DRO in MW-2 has steadily increased from 1996 to July 2003 with concentrations in December 1996 at 9.81 mg/L, June 2002 at 16.3 mg/L, and at 58.5 mg/L in July 2003 (Table 6). At MW-8, DRO has steadily decreased showing 14.4 mg/L in June 2002, 2.06 mg/L in November 2002 and below reporting limits (< 0.37 mg/L) in July 2003.

CLEANUP LEVELS

The soil cleanup levels established for this site are the 18 AAC 75.341 Method 2 concentrations for the under 40 inch precipitation zone, migration to groundwater pathway. The groundwater cleanup levels for this site are the 18 AAC 75.345 Table C levels for the contaminants of concern.

ADEC DECISION

Based on the information provided to date, ADEC has determined that while contaminant concentrations still exceed applicable 18 AAC 75.341 soil and 18 AAC 75.345 Table C groundwater cleanup levels, the site poses no significant risk to human health or the environment. This determination considered that there is no current exposure by humans to the inhalation, dermal contact, ingestion pathways, and that the contaminant plume appears to be stable, and the drinking water well has not been impacted by the contamination. While no further remedial action planned (NFRAP) is applicable for this site, it is subject to the following conditions:

1. If the soil above the applicable 18 AAC 75.341 Method 2 cleanup levels becomes accessible in the future (for example through excavation or soil drilling), or if future information indicates the contamination poses a risk to human health or the environment, then additional investigative or cleanup action may be required. Recent soil testing has not been performed throughout the site. The known areas that have contained contamination above the Method 2 cleanup levels are in the areas of: the former two UST locations; and, monitoring wells 1, 2, 5, B-6VE, 8, 13, 14 and 15. The depths at which soil may be excavated without encountering soil applicable cleanup levels is 2.0 ft. bgs. Any excavation below this depth should be conducted in accordance with an ADEC approved work plan.

   Similarly, if any groundwater above the applicable 18 AAC 75.345 Table C cleanup levels is generated in the future, it will need to be managed properly and further investigative or cleanup action may be required if the contamination poses a risk to human health or the environment, e.g., contamination is shown to be migrating towards Campbell Creek. Past and recent groundwater monitoring has shown that groundwater has/is contaminated above either DRO, GRO and/or BTEX constituents in the locations of monitoring wells: 1, 2, 5, B-6VE, 8, 11, 12, 13, 14 and 15 (some monitoring wells have not been sampled recently so it is unknown what contaminant levels, if any are in those locations).

2. The transport, treatment and/or disposal of soil and groundwater from the site requires prior ADEC approval in accordance with 18 AAC 78.600(h). Any use of the groundwater from the unconfined aquifer at this site requires the approval from DEC because of the contamination. According to 18 AAC 78.995, a site is an area that is contaminated, including areas contaminated by the migration of a contaminant from a source area, regardless of property ownership. Data has demonstrated that contamination has migrated off the Johnson Nissan property onto the adjacent down gradient property owned by the MOA, and possibly others. Therefore, soil and groundwater generated from the Johnson Nissan property as well the immediately down-gradient property are subject to this condition and others in this decision document.

3. A groundwater monitoring plan that includes quarterly monitoring for monitoring wells (MW) 1, 2, 5, B-6VEA, 8, 11 and 12; and semi-yearly (twice a year) for MWs

3, 9, 10 and 15 shall be prepared and submitted to ADEC for review and approval. Groundwater samples will need to be analyzed for DRO, GRO and BTEX constituents. The plan needs to specify that yearly all monitoring wells will be surveyed (to ensure frost heaving is not an issue) and a report will be received by ADEC within 60 days of each sampling event. The reports will need to include analytical data from the ADEC approved laboratory; results; discussion of results in comparison to past findings including trend(s) in groundwater contaminant concentrations; summary tables of groundwater data collected to date; figure of site and applicable features such as monitoring wells; groundwater elevations, gradient and flow direction, survey information; conclusions and recommendations. Sampling events must occur in June, September and December 2004, and March 2005.

A reduced monitoring frequency is possible after the first year of quarterly monitoring. The monitoring report for the March 2005 event needs to provide information, including discussion on the decreasing trend(s) observed which is demonstrated by statistics, to justify whether a reduced monitoring frequency should be proposed for the next year. Quarterly monitoring will need to continue until decreasing trend(s) in groundwater contamination is established and to monitor potential off site migration. Monitoring wells selected for semi-yearly sampling frequency could be increased by ADEC to quarterly if the finding show that levels are increasing at those locations. Groundwater monitoring will need to occur until the site consistently meets applicable 18 AAC 75 Table C cleanup levels. A revised groundwater monitoring plan needs to be submitted and approved by ADEC in April of each calendar year unless there is no proposed deviation from the existing approved monitoring plan.

4. The drinking water well must be sampled for DRO, GRO, and BTEX constituents on a yearly basis. If the properties water distribution is connected to the MOA publicly owned water system (Anchorage Wastewater Utility, AWWU), the Class C well will need to be properly decommissioned in accordance to 18 AAC 80.015 regulations. A report of the findings from this sampling effort, and well decommissioning if performed, must be provided to Rich Sundet of CSP and to Ms. Heather Newman of DEC's Drinking Water Program at DEC's 555 Cordova Street office.

5. An institutional control will be placed on your property that must remain in effect until such time that you demonstrate that any remaining DRO, GRO and BTEX constituents has been cleaned up to established to cleanup levels established in 18 AAC 75 Method 2 and Table C.

The attached "Notice of Environmental Groundwater Contamination" will need to be recorded on the property deed as an institution control measure in accordance to 18 AAC 78.625. In addition, a statement will be included in the DEC database for this site as a form of an IC measure that existing DRO, GRO and BTEX constituents

remain on and off property above applicable 18 AAC 78 Method 2 and Table C cleanup levels.

This determination is also subject to additional investigation and/or cleanup action if future information indicates that the cleanup is not protective of human health, safety or welfare, or the environment. If the conditions in this decision are not met, the NFRAP status shall be revoked and additional requirements may be imposed and/or enforcement action initiated by DEC.

This decision should in no way constitute any construed relief from legal action by third party property owners such as the MOA whose property adjacent to the site has been negatively impacted by the contaminant plume migrating off the subject Johnson Nissan property. Property owners adjacent to the Johnson Nissan property that may be impacted by the contamination emanating from the former Johnson Nissan property, need to address the contamination in accordance to 18 AAC 78 regulations such as reporting and obtain ADEC approval in accordance to conditions #1 and # 2 above.

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. 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.

ADEC Site Remediation Section Manager Approval:

Rich Sundet for

Jim Frechione, Environmental Conservation Manager

6/14/04

Date

Notice of Environmental Groundwater Contamination

Pursuant to 18 AAC 78.280(d), J.H.M. Investments (Jim Johnson General Partner), as the owner of the subject property, hereby provides public notice that the property located at 4748 Old Seward Highway and more particularly described as: Lot 14, Block B, Rosebud Subdivision in Anchorage, Alaska has been subject to the release(s) of hazardous substances.

This site has been subject to a discharge or release and subsequent cleanup of oil and other hazardous substances, regulated under AAC 75, Article 3 and 18 AAC 78, Article 6, as amended January 30, 2003. This release and site cleanup is documented in the Alaska Department of Environmental Conservation (ADEC) underground storage tank database under facility identification number 2470, event identification number 404, spill number 1994210022003.

Subject to this institutional control, ADEC reviewed and approved the cleanup actions as being protective of human health, safety, welfare and the environment. While soil and shallow groundwater contamination exceeding established cleanup levels is present at the site, the Department does not require additional cleanup action because the contamination does not pose a risk to human health, public safety, welfare, or the environment. The soil and shallow groundwater is contaminated primarily by benzene, gasoline range organics (GRO) and diesel range organics (DRO).

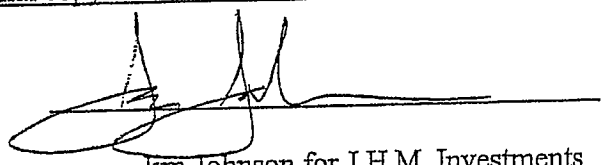
No further cleanup is necessary at this site unless ADEC determines that hazardous substance contamination may pose an unacceptable risk to human health, safety, welfare or the environment.

Attached are three figures that show a portion of the southeastern Johnson Nissan property boundary and locations of existing structures such as monitoring wells (Figures 4, 5 and 6). The figures show GRO, benzene and DRO historical concentrations and the applicable groundwater cleanup level for these constituents. In July 2003 and January 2004, GRO, benzene and DRO contaminant concentrations exceeded applicable groundwater cleanup levels on the Johnson Nissan property (e.g., at MW-2) as well as in January 2004 for benzene on property immediately down gradient of the Johnson Nissan property (i.e., at MW-8 and 12). Therefore, the estimated location and extent of remaining groundwater contamination is between at least MWs 1 and 12 on a north to south basis and between MWs 2 and 5 on a west to east basis. There is no current soil data but soil contamination exceeding established cleanup levels for GRO, DRO and BTEX constituents may remain in the area of the former UST excavation area., i.e., near MW-1

In the event that 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 is 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 characterization and cleanup may be necessary under 18 AAC 75.325-.390 and 18 AAC 78.600. Also, any transport, treatment, or disposal of any potentially contaminated soil or water from the site or use of the shallow groundwater at or near the contaminated area requires notification to and approval from the Department in accordance with 18 AAC 78.600(h).

This notice remains in effect until a written determination from ADEC is recorded that states that the soil and shallow groundwater at the site has been shown to meet the cleanup levels in Method 2 in 18 AAC 75.341 Table B1 and B2, and Table C in 18 AAC 75.345, respectively, and that use of the shallow groundwater is not a concern.

Please return original copy of this notice to the address below:

Signature: 

Printed Name: Jim Johnson for J.H.M. Investments

Mailing Address: 4551 Fairbanks St., Suite A
Anchorage, AK 99503

(seal)

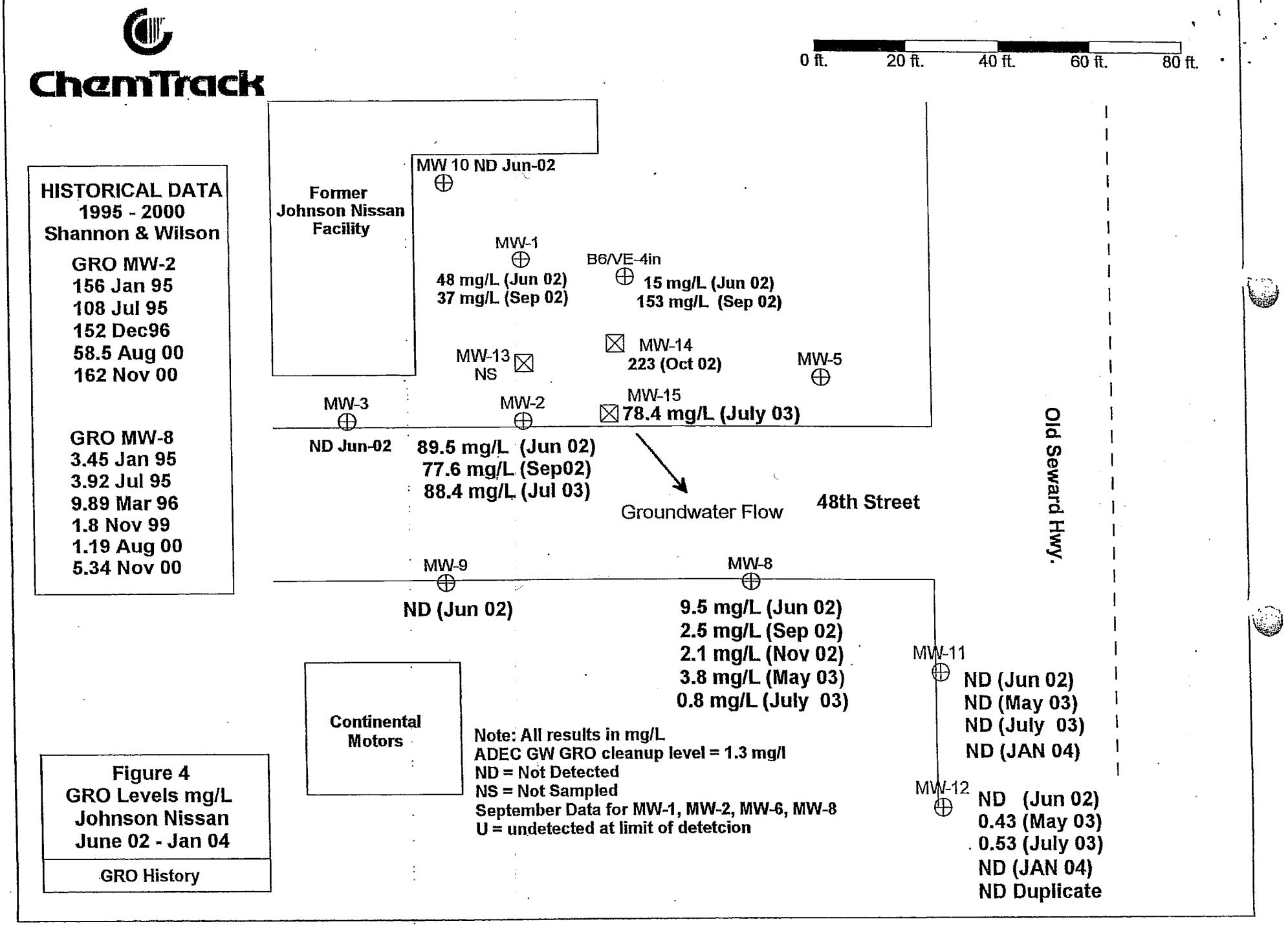
Subscribed and sworn to before me this 15 day of June, 2004.

Notary Public in and for the State of Alaska
My commission expires: 7/19/04

Marcia L Briggs

Note: Please refer to 11 AAC 05.010 (a)(14) for the required fee. The information requested on this form should be typed or legibly printed in English. Any attachments or exhibits must not exceed 8.5" x 14". This form is intended to comply with the recording requirements of AS 40.17.030 and 11 AAC 06.040.

Attachment: Location Figures 4, 5 and 6 – Area of Remaining GRO, Benzene and DRO Contamination in the Shallow Groundwater


ChemTrack
0 ft.
20 ft.
40 ft.
60 ft.
80 ft.
HISTORICAL DATA
1995 - 2000
Shannon & Wilson
GRO MW-2
156 Jan 95
108 Jul 95
152 Dec96
58.5 Aug 00
162 Nov 00
GRO MW-8
3.45 Jan 95
3.92 Jul 95
9.89 Mar 96
1.8 Nov 99
1.19 Aug 00
5.34 Nov 00
Former Johnson Nissan Facility
MW 10 ND Jun-02
MW-1
48 mg/L (Jun 02)
37 mg/L (Sep 02)
B6/VE-4in
15 mg/L (Jun 02)
153 mg/L (Sep 02)
MW-13
NS
MW-14
223 (Oct 02)
MW-5
MW-3
ND Jun-02
MW-2
89.5 mg/L (Jun 02)
77.6 mg/L (Sep02)
88.4 mg/L (Jul 03)
MW-15
78.4 mg/L (July 03)
Groundwater Flow
48th Street
Old Seward Hwy.
MW-9
ND (Jun 02)
MW-8
9.5 mg/L (Jun 02)
2.5 mg/L (Sep 02)
2.1 mg/L (Nov 02)
3.8 mg/L (May 03)
0.8 mg/L (July 03)
MW-11
ND (Jun 02)
ND (May 03)
ND (July 03)
ND (JAN 04)
MW-12
ND (Jun 02)
0.43 (May 03)
0.53 (July 03)
ND (JAN 04)
ND Duplicate
Continental Motors
Note: All results in mg/L
ADEC GW GRO cleanup level = 1.3 mg/l
ND = Not Detected
NS = Not Sampled
September Data for MW-1, MW-2, MW-6, MW-8
U = undetected at limit of detetcion
Figure 4
GRO Levels mg/L
Johnson Nissan
June 02 - Jan 04
GRO History

ChemTrack

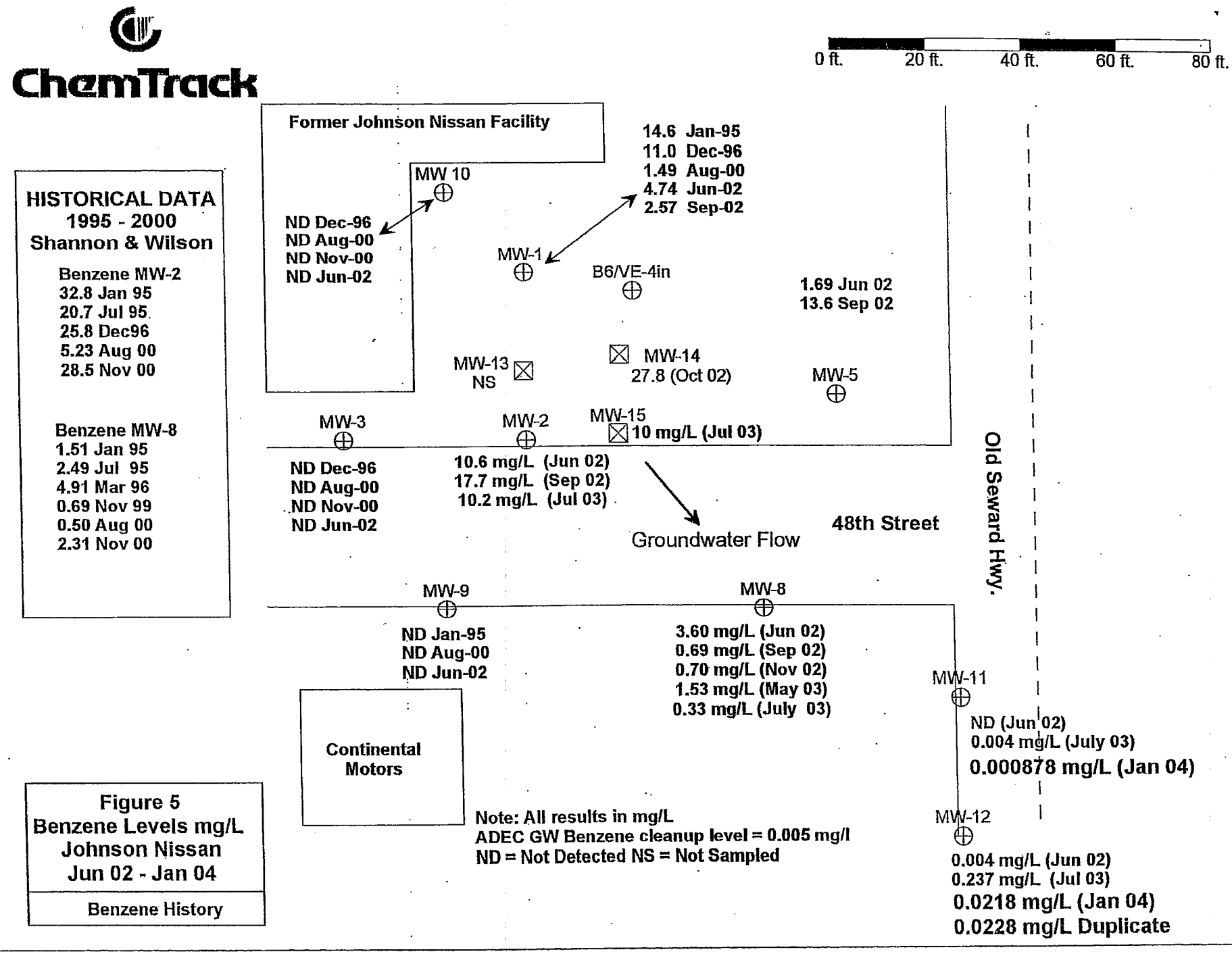
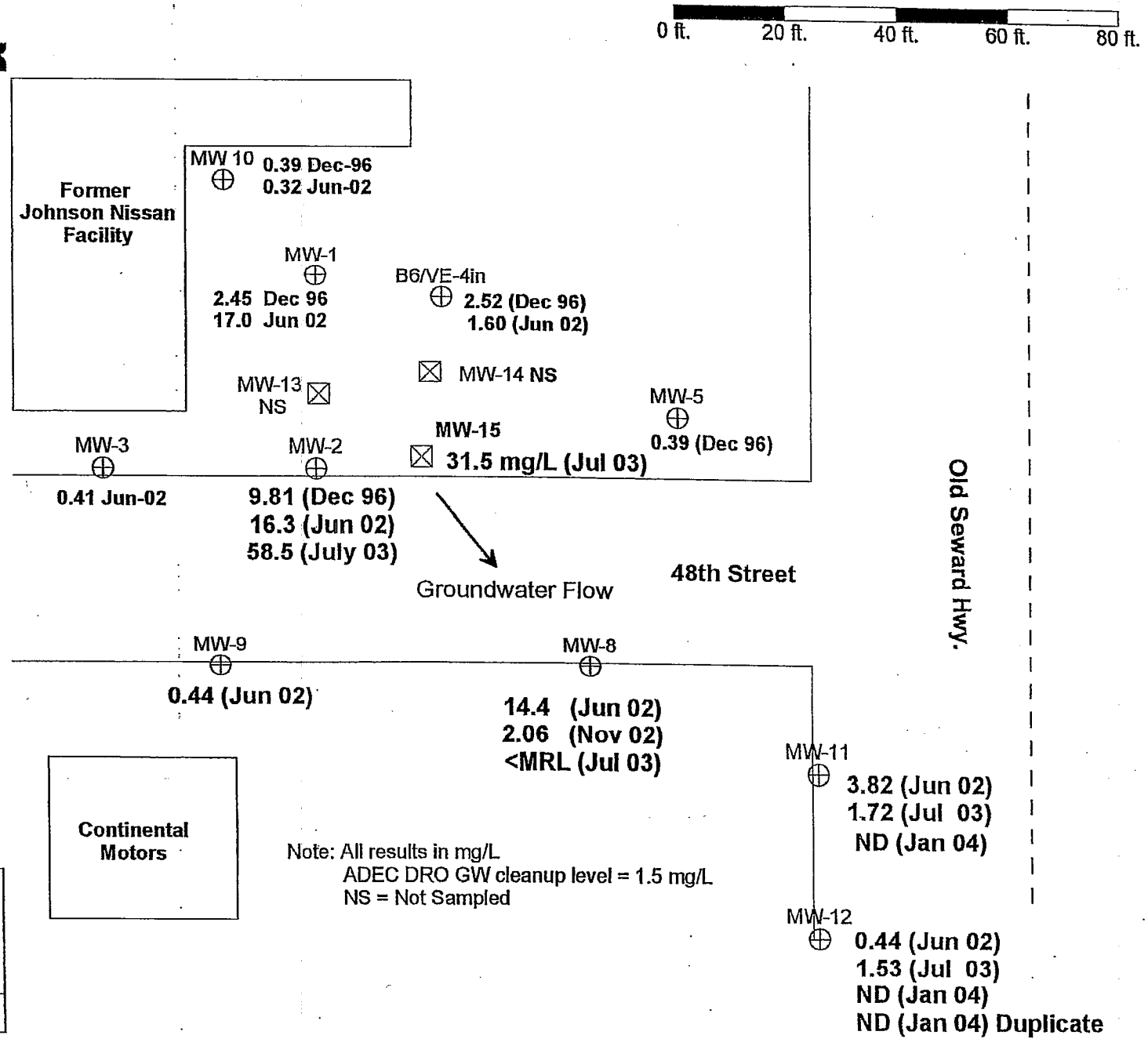


Figure 5
Benzene Levels mg/L
Johnson Nissan
Jun 02 - Jan 04

Benzene History

ChemTrack



Note: All results in mg/L
ADEC DRO GW cleanup level = 1.5 mg/L
NS = Not Sampled

Figure 6
DRO Levels mg/L
Johnson Nissan
Dec 1996 - Jan 2004

DRO History