

# STATE OF ALASKA

93-23-00-154-02

TONY KNOWLES, GOVERNOR

## DEPT. OF ENVIRONMENTAL CONSERVATION

UNDERGROUND STORAGE TANKS  
FINANCIAL ASSISTANCE PROGRAM  
555 CORDOVA STREET  
ANCHORAGE, AK 99501

PHONE: (907) 269-7504  
FAX: (907) 269-7507

RECEIVED

JUN 26 1997

Department of  
Environmental Conservation  
KDO

June 24, 1997

Joanne and Joe Browning, Partners  
Kasilof Riverview Lodge  
P.O. Box 254  
Kasilof, AK 99610

Dear Ms. and Mr. Browning:

Grant Offer: Underground Storage Tanks Financial Assistance Program  
Tank Closure for Kasilof Riverview Lodge, Facility No. 0384

In accordance with AS 46.03.430, Governor Knowles and the Department of Environmental Conservation (Department) offer Joanne and Joe Browning (Grantees), a grant of state funds not to exceed \$20755.89. This grant is intended to fund sixty percent (not to exceed \$60,000) of the estimated eligible project costs required for the removal of two 2,000 gallon and two 6,000 gallon underground storage tank systems, a closure site assessment, and laboratory testing at the Kasilof Riverview Lodge located at Mile 109.5 Sterling Highway, Kasilof, Alaska. The proposed scope of work is based on the June 5, 1997, proposal from Statewide Petroleum Service (Appendix A), and the June 12, 1997, proposal from JML Laboratories, Inc., (Appendix B) which are attached and considered part of this grant offer.

You must notify the Department immediately of any changes to the proposed scope of work described in this grant offer. Your application was ranked based upon information you submitted to the Financial Assistance office. **Please be aware that any changes to the project may affect your eligibility to receive grant funds.**

This grant offer is expressly conditioned upon the terms and general grant conditions contained herein and in 18 AAC 78.500 through 560 (copies attached), and is based upon estimated eligible project costs as itemized below.

	Total Estimated Eligible Project Costs
<b>Tank Removal:</b>	
Statewide Petroleum Service	\$11,900.00
<b>Site Assessment</b>	
JML Laboratories, Inc.	\$15,930.00
<b>Laboratory Testing</b>	
JML Laboratories, Inc.	<u>\$6,763.15</u>
Total Estimated Eligible Project Costs	\$34,593.15
<b>Eligible Grant:</b> lesser of 60% of Total or \$60,000	\$20,755.89

The above costs are detailed on the Payment Authorization Form for Grant No. 15038461 Part D - Payment Summary, which is attached and considered part of this grant offer. Any changes to the estimated cost by task classification will require an amendment to this grant award. The grantee must use the attached Payment Authorization Form to process requests for payments. Invoices must be listed on Part A of the form and costs distributed to the appropriate cost categories identified on Page 2, Part C. Assistance to properly complete the Payment Authorization form is available from the Financial Assistance office. Incomplete payment authorization forms will be returned to the grantee and may result in grant payment delays.

If actual eligible project costs exceed the total estimated eligible costs, a revised grant application must be submitted before additional state financial assistance can be committed, subject to availability of funds not to exceed allowable financial assistance limits per statute. Nothing herein should be construed as an obligation upon the Department to fund additional eligible costs. If actual eligible project costs are less than the estimated costs, the grant will be reduced to the extent necessary to comply with the percentage limitation set forth in this offer.

By accepting this grant offer, the Grantee agrees to comply with the procedures and requirements contained in the Underground Storage Tank Regulations (18 AAC 78), the requirements of which are incorporated herein by reference, as well as with the following grant conditions.

GENERAL GRANT CONDITIONS

1. Indemnification: The Grantee shall indemnify, save harmless and defend the Department, the State of Alaska, its officers, agents, and employees from liability of any kind, including costs and expenses, for or on account of any and all suits or damages of any nature, sustained by any person or persons or property, by virtue of performance of the Grantee, or any person or entity acting in place of or for the Grantee, as a contractor, subcontractor, or otherwise, for this project.
2. Use of Grant Funds: The Grantee shall spend monies appropriated under this grant only for the purposes specified in this grant offer and as detailed by the Department's letters accompanying grant payments.
3. No Assignment or Delegation: The Grantee may not assign or delegate this grant award, or any part of it, or any right to money to be paid under it, except with the written consent of the Department.
4. Governing Law: This grant award is governed by the laws of the State of Alaska. The Grantee shall perform all aspects of this project in accordance with all applicable laws and regulations. It is the responsibility of the Grantee to ensure that all necessary permits required by the federal, state or local governments are obtained.
5. Grant Cancellation: The Grantee acknowledges the right of the Department under 18 AAC 78.513(e) to terminate this grant and seek recovery of payments already made, plus interest at the rate set out in AS 45.45.010, if the Grantee has provided false or misleading information to the Department or if a grant condition contained herein or in 18 AAC 78 is violated. This includes failure of the Grantee to comply with state and federal requirements to report a release of a regulated substance; to start work within one year after the date of the financial assistance award; to follow approved plans, schedules, conditions and procedures in completing the project or administering the financial assistance; to use a certified storage tank worker to conduct work described in 18 AAC 78.455; and to enter into a signed agreement with the Department within 60 days after receipt of the financial assistance award letter or award letter amendment unless delays are due to the actions of the Department. This grant offer may be terminated at any time if the Department determines it is in the best interest of the State to do so.
6. Independent Grantee: The Grantee and any contractors, agents or employees of the Grantee act in an independent capacity and are not officers, employees,

contractors or agents of the State in the performance of any activity carried out in connection with this grant award.

7. Titles and Easements: The Grantee agrees to obtain all titles and easements necessary to provide clear title or authority to access the project site and complete the proposed project.
8. Changes: The Grantee agrees to submit additional cleanup plans or other work plans for Department approval when the Department determines the site conditions or other factors dictate a change in plans or procedures.
9. Amendments: Changes of consultants and contractors or changes of technologies for testing, containment and cleanup, or corrective action as identified in the appended work plan will require an amendment to the grant offer. The Department will, in its discretion, issue an amendment to the grant to cover the costs of verified and reasonable contingencies or cost increases up to ten percent of the original grant offer.
10. Inspection: The Grantee agrees to allow, at all reasonable times and without notice, Department inspection of all project work and all records and data related to this grant.
11. Progress Reports: The Grantee shall conduct the work within an approved time schedule and submit periodic progress reports at the request of the Department.
12. Records: The Grantee agrees to maintain project accounts and records to support the grant eligibility of project expenditures. These accounts and records shall clearly separate eligible and ineligible project costs and shall be kept until the project is complete, the cost records are verified by the Department and an audit, if requested, is completed by the Department or designee of the Department. The Department will, in its discretion, require the Grantee to account for the disposition and balance of the grant or loan by providing proof of payment for invoices or bank statements.
13. Separate Bank Account: The funds awarded as financial assistance, except for reimbursement, remain the property of the State of Alaska until the award is spent for an eligible cost. The Grantee shall maintain a separate bank account to be used solely for payment of eligible costs, and the account must be clearly identified for that purpose. The Grantee may not place any other money in this account, nor use the account for any other purpose. If, because of debts or obligations of the Grantee, a person asserts a lien, or seeks to attach, execute against, or in any way make a claim against money awarded for financial

assistance, the Grantee shall immediately advise the person that the money is the property of the State of Alaska, take all reasonable steps to prevent seizure of the money, and notify the Department of that person's action. **If funds are deposited in an interest bearing account, the Grantee agrees to return to the State treasury any interest earned on the account and not spent for eligible project costs.**

14. Payments: In accordance with 18 AAC 78.555 the Department will pay the Grantee either a lump sum payment if the project is complete and the necessary documentation has been received and approved by the Department, or progress payments based on twenty percent of the grant at the time of award, and the remaining eighty percent paid in installments as necessary, upon receipt and approval by the Department of payment authorization forms that are supplied by the Department, completed and submitted by the Grantee and based on work completed, as evidenced by copies of original invoices. The Grantee's payment requests shall be supported with copies of original invoices showing the dates when and locations where the work was performed. Documentation required by the Department to be submitted with the pay request shall include copies of time sheets, descriptions of materials and parts, if appropriate under AS 45.75.282 a copy of the delivery tickets with a copy of the appropriate weights and measures certification report, listing of rental rates by equipment types, and subcontractor charges that are identified in detail and that explain the work accomplished, the materials used, equipment rentals and the labor costs. The Department will exclude from grant payments a portion of the costs not payable by the Department in accordance with AS 46.03.420(b) or 46.03.430(a). Final payment shall be based on actual eligible project expenditures as reported on the final payment request form. Expenses incurred or reported after submission of the final cost statement and project completion certification by the Grantee are not eligible for payment. The Department, in its discretion, may issue two-party payments to the Grantee and the contractor for eligible costs of work completed.
15. Proof of Payment: The Grantee shall submit proof of payment of all invoices to the Department within 60 days after the Grantee receives payment of the financial assistance.
16. Eligibility: The Grantee acknowledges that disbursement of progress payments by the Department does not constitute acceptance of any item as an eligible project cost until final project costs are received, verified and determined to be eligible by the Department. Ineligible project costs, as identified under 18 AAC 78.514(a), will not be reimbursed and must be included in the final audit report. Ineligible project costs include costs that are recoverable by the Grantee from insurance coverage or from another person or entity liable for those costs. Therefore, if the

Department determines a cost as eligible and the Grantee later recovers that cost from insurance coverage or from another person or entity liable for the cost, the Grantee shall promptly reimburse the Department for the cost.

17. Audits: The Grantee shall comply with all audit requirements of the Department to verify eligible project expenditures. If an overpayment of eligible costs is verified by audit, the Department will notify the Grantee of the overpayment. The Grantee agrees to promptly return to the Department the amount of the overpayment. If necessary the Department will seek recovery of payments plus interest charged at the rate set out in AS 45.45.010 and any other costs or fees allowable under the law.
18. Reportable Income: The Department shall provide the Grantee with an annual statement of financial assistance received for use in reporting taxable income to the Internal Revenue Service.
19. Compliance Agreement: The Grantee agrees that this signed grant offer shall constitute written agreement with the Department as required by 18 AAC 78.560 to ensure that sufficient abatement and containment measures will be taken in accordance with an approved corrective action plan to stabilize the site and to prevent the migration of contamination into an uncontaminated area. Based on the availability of money, the Department will, in its discretion, require the Grantee to fully implement the approved corrective action plan at the Grantee's expense.
20. Financial Responsibility: Pursuant to 18 AAC 78.513(b)(8) the Grantee shall provide proof of ability to meet financial responsibility requirements upon completion of the project if the facility is to remain in service.
21. Cost Recovery: Nothing in the grant offer affects the liability under state or federal law of any person or entity for the costs of risk management, containment, corrective action, and cleanup resulting from a release of petroleum. The Department reserves the right to seek recovery from the owner or operator of any and all costs regarding this facility.
22. Fund Lapse: Funds encumbered for this grant are scheduled to lapse on June 30, 1998. Therefore, the Grantee must submit all payments to the Department by June 15, 1998 to allow sufficient time to process payments prior to the fund lapse date. **The Department will not process payment requests submitted after June 15, 1998 from this grant.**



The foregoing instrument was acknowledged before me this \_\_\_\_\_ (date) by \_\_\_\_\_  
\_\_\_\_\_ (Grantee).

\_\_\_\_\_  
Notary Public in and for \_\_\_\_\_  
My commission expires: \_\_\_\_\_

JDB (H:\HOME\USTFAP\FY97GRT.FA4\038461.GRT)

Attachments: Appendix A - Statewide Petroleum Service Proposal dated June 5, 1997  
Appendix B - JML Laboratories, Inc., Proposal dated June 12, 1997  
Payment Authorization Form - Grant No. 15038461  
18 AAC 78.500 through 560  
Stamped Envelope for Return of Signed Grant Offer

cc: Statewide Petroleum Service  
JML Laboratories, Inc.  
Paul Horwath, Storage Tank Program, Kenai



# STATE OF ALASKA

TONY KNOWLES, GOVERNOR

## DEPT. OF ENVIRONMENTAL CONSERVATION

UNDERGROUND STORAGE TANKS  
FINANCIAL ASSISTANCE PROGRAM  
555 CORDOVA STREET  
ANCHORAGE, AK 99501

PHONE: (907) 269-7504  
FAX: (907) 269-7507

January 22, 1998

Joanne and Joe Browning, Partners  
Kasilof Riverview Lodge  
P.O. Box 2564  
Kasilof, AK 99610

RECEIVED

JAN 22 1998

Department of  
Environmental Conservation  
KDO

Dear Ms. and Mr. Browning:

Grant Offer: Underground Storage Tanks Financial Assistance Program  
Tank Upgrade Grant for Kasilof Riverview Lodge, Facility No. 0384

In accordance with AS 46.03.430, Governor Knowles and the Department of Environmental Conservation (Department) offer Joanne and Joe Browning (Grantees), a grant of state funds not to exceed \$39,244.11. This grant is intended to fund sixty percent (not to exceed \$60,000 less any previously issued Tank Closure or Upgrade Grants) of the estimated eligible project costs required for the installation of one 16,000 gallon underground storage tank (UST) system at Kasilof Riverview Lodge located at Mile 109.5 Sterling Highway, Kasilof, Alaska. This new system will replace the two 2,000 gallon and two 6,000 gallon UST system which will be removed under Tank Closure Grant No. 15038461. The proposed scope of work is based on the November, 26, 1997, proposal from Statewide Petroleum Services (Appendix B) which is attached and considered part of this grant offer.

You must notify the Department immediately of any changes to the proposed scope of work described in this grant offer. Your application was ranked based upon information you submitted to the Financial Assistance office. **Please be aware that any changes to the project may affect your eligibility to receive grant funds.**

This grant offer is expressly conditioned upon the terms and general grant conditions contained herein and in 18 AAC 78.500 through 560 (copies attached), and is based upon estimated eligible project costs as itemized below.

	Total Estimated Eligible Project Costs
<b>Tank Upgrade:</b>	
Tank Installation	\$78,369.00
Line Leak Detection	5,000.00
Miscellaneous Expense	<u>10,000.00</u>
Total Estimated Eligible Project Costs	\$93,369.00
<b>Eligible Grant:</b>	
60% of Total Not to Exceed \$60,000	\$56,021.40
Tank Upgrade and Closure	
Grant Program Limitation	\$60,000.00
Less Tank Closure Grant No. 15038461	<u>20,755.89</u>
Available Funding for this Tank Upgrade Grant	\$39,244.11

The above costs are detailed on the Payment Authorization Form for Grant No. 15038441 Part D - Payment Summary, which is attached and considered part of this grant offer. Any changes to the estimated cost by task classification will require an amendment to this grant award. The grantee must use the attached Payment Authorization Form to process requests for payments. Invoices must be listed on Part A of the form and costs distributed to the appropriate cost categories identified on Page 2, Part C. Assistance to properly complete the Payment Authorization form is available from the Financial Assistance office. Incomplete payment authorization forms will be returned to the grantee and may result in grant payment delays.

If actual eligible project costs exceed the total estimated eligible costs, a revised grant application must be submitted before additional state financial assistance can be committed, subject to availability of funds not to exceed allowable financial assistance limits per statute. Nothing herein should be construed as an obligation upon the Department to fund additional eligible costs. If actual eligible project costs are less than the estimated costs, the grant will be reduced to the extent necessary to comply with the percentage limitation set forth in this offer.

By accepting this grant offer, the Grantee agrees to comply with the procedures and requirements contained in the Underground Storage Tank Regulations (18 AAC 78), the requirements of which are incorporated herein by reference, as well as with the following grant conditions.

GENERAL GRANT CONDITIONS

1. Indemnification: The Grantee shall indemnify, save harmless and defend the Department, the State of Alaska, its officers, agents, and employees from liability of any kind, including costs and expenses, for or on account of any and all suits or damages of any nature, sustained by any person or persons or property, by virtue of performance of the Grantee, or any person or entity acting in place of or for the Grantee, as a contractor, subcontractor, or otherwise, for this project.
2. Use of Grant Funds: The Grantee shall spend monies appropriated under this grant only for the purposes specified in this grant offer and as detailed by the Department's letters accompanying grant payments.
3. No Assignment or Delegation: The Grantee may not assign or delegate this grant award, or any part of it, or any right to money to be paid under it, except with the written consent of the Department.
4. Governing Law: This grant award is governed by the laws of the State of Alaska. The Grantee shall perform all aspects of this project in accordance with all applicable laws and regulations. It is the responsibility of the Grantee to ensure that all necessary permits required by the federal, state or local governments are obtained.
5. Grant Cancellation: The Grantee acknowledges the right of the Department under 18 AAC 78.513(e) to terminate this grant and seek recovery of payments already made, plus interest at the rate set out in AS 45.45.010, if the Grantee has provided false or misleading information to the Department or if a grant condition contained herein or in 18 AAC 78 is violated. This includes failure of the Grantee to comply with state and federal requirements to report a release of a regulated substance; to start work within one year after the date of the financial assistance award; to follow approved plans, schedules, conditions and procedures in completing the project or administering the financial assistance; to use a certified storage tank worker to conduct work described in 18 AAC 78.455; and to enter into a signed agreement with the Department within 60 days after receipt of the financial assistance award letter or award letter amendment unless delays are due to the actions of the Department. This grant offer may be terminated at any time if the Department determines it is in the best interest of the State to do so.
6. Independent Grantee: The Grantee and any contractors, agents or employees of the Grantee act in an independent capacity and are not officers, employees, contractors or agents of the State in the performance of any activity carried out in connection with this grant award.

7. Titles and Easements: The Grantee agrees to obtain all titles and easements necessary to provide clear title or authority to access the project site and complete the proposed project.
8. Changes: The Grantee agrees to submit additional cleanup plans or other work plans for Department approval when the Department determines the site conditions or other factors dictate a change in plans or procedures.
9. Amendments: Changes of consultants and contractors or changes of technologies for testing, containment and cleanup, or corrective action as identified in the appended work plan will require an amendment to the grant offer. The Department will, in its discretion, issue an amendment to the grant to cover the costs of verified and reasonable contingencies or cost increases up to ten percent of the original grant offer.
10. Inspection: The Grantee agrees to allow, at all reasonable times and without notice, Department inspection of all project work and all records and data related to this grant.
11. Progress Reports: The Grantee shall conduct the work within an approved time schedule and submit periodic progress reports at the request of the Department.
12. Records: The Grantee agrees to maintain project accounts and records to support the grant eligibility of project expenditures. These accounts and records shall clearly separate eligible and ineligible project costs and shall be kept until the project is complete, the cost records are verified by the Department and an audit, if requested, is completed by the Department or designee of the Department. The Department will, in its discretion, require the Grantee to account for the disposition and balance of the grant or loan by providing proof of payment for invoices or bank statements.
13. Separate Bank Account: The funds awarded as financial assistance, except for reimbursement, remain the property of the State of Alaska until the award is spent for an eligible cost. The Grantee shall maintain a separate bank account to be used solely for payment of eligible costs, and the account must be clearly identified for that purpose. The Grantee may not place any other money in this account, nor use the account for any other purpose. If, because of debts or obligations of the Grantee, a person asserts a lien, or seeks to attach, execute against, or in any way make a claim against money awarded for financial assistance, the Grantee shall immediately advise the person that the money is the property of the State of Alaska, take all reasonable steps to prevent seizure of the money, and notify the Department of that person's action. **If funds are deposited**

**in an interest bearing account, the Grantee agrees to return to the State treasury any interest earned on the account and not spent for eligible project costs.**

14. Payments: In accordance with 18 AAC 78.555 the Department will pay the Grantee either a lump sum payment if the project is complete and the necessary documentation has been received and approved by the Department, or progress payments based on twenty percent of the grant at the time of award, and the remaining eighty percent paid in installments as necessary, upon receipt and approval by the Department of payment authorization forms that are supplied by the Department, completed and submitted by the Grantee and based on work completed, as evidenced by copies of original invoices. The Grantee's payment requests shall be supported with copies of original invoices showing the dates when and locations where the work was performed. Documentation required by the Department to be submitted with the pay request shall include copies of time sheets, descriptions of materials and parts, if appropriate under AS 45.75.282 a copy of the delivery tickets with a copy of the appropriate weights and measures certification report, listing of rental rates by equipment types, and subcontractor charges that are identified in detail and that explain the work accomplished, the materials used, equipment rentals and the labor costs. The Department will exclude from grant payments a portion of the costs not payable by the Department in accordance with AS 46.03.420(b) or 46.03.430(a). Final payment shall be based on actual eligible project expenditures as reported on the final payment request form. Expenses incurred or reported after submission of the final cost statement and project completion certification by the Grantee are not eligible for payment. The Department, in its discretion, may issue two-party payments to the Grantee and the contractor for eligible costs of work completed.
15. Proof of Payment: The Grantee shall submit proof of payment of all invoices to the Department within 60 days after the Grantee receives payment of the financial assistance.
16. Eligibility: The Grantee acknowledges that disbursement of progress payments by the Department does not constitute acceptance of any item as an eligible project cost until final project costs are received, verified and determined to be eligible by the Department. Ineligible project costs, as identified under 18 AAC 78.514(a), will not be reimbursed and must be included in the final audit report. Ineligible project costs include costs that are recoverable by the Grantee from insurance coverage or from another person or entity liable for those costs. Therefore, if the Department determines a cost as eligible and the Grantee later recovers that cost from insurance coverage or from another person or entity liable for the cost, the Grantee shall promptly reimburse the Department for the cost.

17. Audits: The Grantee shall comply with all audit requirements of the Department to verify eligible project expenditures. If an overpayment of eligible costs is verified by audit, the Department will notify the Grantee of the overpayment. The Grantee agrees to promptly return to the Department the amount of the overpayment. If necessary the Department will seek recovery of payments plus interest charged at the rate set out in AS 45.45.010 and any other costs or fees allowable under the law.
18. Reportable Income: The Department shall provide the Grantee with an annual statement of financial assistance received for use in reporting taxable income to the Internal Revenue Service.
19. Compliance Agreement: The Grantee agrees that this signed grant offer shall constitute written agreement with the Department as required by 18 AAC 78.560 to ensure that sufficient abatement and containment measures will be taken in accordance with an approved corrective action plan to stabilize the site and to prevent the migration of contamination into an uncontaminated area. Based on the availability of money, the Department will, in its discretion, require the Grantee to fully implement the approved corrective action plan at the Grantee's expense.
20. Financial Responsibility: Pursuant to 18 AAC 78.513(b)(8) the Grantee shall provide proof of ability to meet financial responsibility requirements upon completion of the project if the facility is to remain in service.
21. Cost Recovery: Nothing in the grant offer affects the liability under state or federal law of any person or entity for the costs of risk management, containment, corrective action, and cleanup resulting from a release of petroleum. The Department reserves the right to seek recovery from the owner or operator of any and all costs regarding this facility.
22. Fund Lapse: Funds encumbered for this grant are scheduled to lapse on June 30, 1999. Therefore, the Grantee must submit all payments to the Department by June 15, 1999 to allow sufficient time to process payments prior to the fund lapse date. **The Department will not process payment requests submitted after June 15, 1999 from this grant.**

Please carefully review this grant offer, the related grant conditions, and the enclosed regulations. If satisfactory, sign, notarize and return the original in the enclosed stamped envelope. **This grant offer must be signed and returned to the Department within 60 days of the receipt date or the Department will cancel the grant offer.**



Attachments: Appendix A - Scope of Work, Cost Estimates, Project Schedule  
Appendix B - Recoverable Cost Affidavit  
Payment Authorization Form - Grant No. 15038441  
18 AAC 78.500 through 560  
Stamped Envelope for Return of Signed Grant Offer

cc: Statewide Petroleum Service

Paul Horwath, Storage Tank Program, Kenai



# STATE OF ALASKA

TONY KNOWLES, GOVERNOR

## DEPT. OF ENVIRONMENTAL CONSERVATION

UNDERGROUND STORAGE TANKS  
FINANCIAL ASSISTANCE PROGRAM  
555 CORDOVA STREET  
ANCHORAGE, AK 99501

PHONE: (907) 269-7504  
FAX: (907) 269-7507

CERTIFIED MAIL  
RETURN RECEIPT  
REQUESTED

December 3, 1998

RECEIVED

DEC - 4 1998

Department of  
Environmental Conservation  
KDO

Joanne and Joe Browning, Partners  
Kasilof Riverview Lodge  
P.O. Box 2564  
Kasilof, Alaska 99610

Dear Ms. and Mr. Browning:

Grant Offer: Underground Storage Tanks Financial Assistance Program  
Tank Upgrade Grant No. 15038442 for Kasilof Riverview Lodge,  
Facility No. 0384

In accordance with AS 46.03.430, Governor Knowles and the Department of Environmental Conservation (Department) offer Joanne and Joe Browning (Grantees), a grant of state funds not to exceed \$39,244.11. This grant is intended to fund sixty percent (not to exceed \$60,000) of the estimated eligible project costs required for the removal of cement, dispensers, and piping; construction of a cell for contaminated soil; relining of one 2,000 gallon and two 6,000 gallon underground storage tanks; and installation of an impressed current cathodic protection system, new dispensers, enviroflex piping, three Red Head turbines, in-line leak detectors, and a Veeder Root in-tank monitoring system at Kasilof Riverview Lodge, Mile 109.5 Sterling Highway, Kasilof, Alaska. The proposed scope of work is based on the August 3, 1998 proposal from Jackson Construction (Appendix A) and the contract with Alaska Lining and Retrofit, signed by the grantee on August 5, 1998, (Appendix B) which are attached and considered part of this grant offer.

You must notify the Department immediately of any changes to the proposed scope of work described in this grant offer. Your application was ranked based upon information you submitted to the Financial Assistance office. **Please be aware that any changes to the project may affect your eligibility to receive grant funds.**

This grant offer is expressly conditioned upon the terms and general grant conditions contained herein and in 18 AAC 78.500 through 560 (copies attached), and is based upon estimated eligible project costs as itemized below.

Total Estimated  
Eligible Project Costs

**Tank Upgrade:**

Jackson Construction Estimate Dated August 3, 1998

Task I - Upgrade Preparation/Restoration	\$68,300.00
Task II - Electrical/Electronic Installation (Cook Inlet Lighting)	\$34,000.00
Task III - Tank Relining, Cathodic Protection, Overfill/ Overspill Protection (AK Lining & Retrofit)	<u>\$39,000.00</u>
Subtotal of Cost Estimate:	\$141,300.00
Less Estimated Costs Ineligible or Not Considered for Grant	\$75,893.15
Total Estimated Eligible Project Costs	\$65,406.85
Eligible Grant: lesser of 60% of Total or \$60,000	\$39,244.11*

\*Payment under this grant is contingent upon receipt of appropriate proof of payment for prior grant no. 15038441.

Explanation of Ineligible Costs or Costs Not Considered for Grant:

- The maximum upgrade or closure grant, pursuant to AS 46.03.430, is \$60,000. Prior Grant No. 15038441 was issued in the amount of \$20,755.89. The maximum amount under this grant is \$39,244.11 ( $\$60,000.00 - \$20,755.89 = \$39,244.11$ ). Therefore, eligible costs of \$65,406.85 will be considered for payment. ( $60\% \text{ of } \$65,406.85 = \$39,244.11$ )
- The bid of \$39,000.00 from Alaska Lining and Retrofit was for lining a total of four tanks: two 2,000 gallon and two 6,000 gallon for a total volume of 16,000 gallons. However, plans were changed, and one of the 2,000 gallon tanks was not lined. Therefore, 12.5% ( $2,000/16,000$ ) of this estimate should be adjusted for that tank. The amount of \$4,875.00 (12.5% of \$39,000) is ineligible for consideration. Also, costs totaling \$24,740.96 were considered eligible costs under previous Grant No. 15038441 and are ineligible under this grant. The total amount ineligible for this task is \$29,615.96, leaving a remaining eligible balance of \$9,384.04 on Task III.
- The bid for Task I - Upgrade Preparation/Restoration was \$68,300.00. Of this amount \$56,022.81 will be considered under this grant and no costs will be reviewed under Task II as the balance of estimated costs exceeds the maximum for this grant.

The above costs are detailed on the Payment Authorization Form for Grant No. 15038442, Part D - Payment Summary, which is attached and considered part of this grant offer. Any changes to the estimated cost by task classification will require an amendment to this grant award. The grantee must use the attached Payment Authorization Form to process requests for

payments. Invoices must be listed on Part A of the form and costs distributed to the appropriate cost categories identified on Page 2, Part C. Assistance to properly complete the Payment Authorization form is available from the Financial Assistance office. Incomplete payment authorization forms will be returned to the grantee and may result in grant payment delays.

Nothing herein should be construed as an obligation upon the Department to fund additional eligible costs. If actual eligible project costs are less than the estimated costs, the grant will be reduced to the extent necessary to comply with the percentage limitation set forth in this offer.

By accepting this grant offer, the Grantee agrees to comply with the procedures and requirements contained in the Underground Storage Tank Regulations (18 AAC 78), the requirements of which are incorporated herein by reference; the conditions contained in the Drinking Water and Wastewater Program's letters dated October 9, 1998 (Appendix C) and November 25, 1998 (Appendix D); as well as with the following grant conditions.

#### GENERAL GRANT CONDITIONS

1. Indemnification: The Grantee shall indemnify, save harmless and defend the Department, the State of Alaska, its officers, agents, and employees from liability of any kind, including costs and expenses, for or on account of any and all suits or damages of any nature, sustained by any person or persons or property, by virtue of performance of the Grantee, or any person or entity acting in place of or for the Grantee, as a contractor, subcontractor, or otherwise, for this project.
2. Use of Grant Funds: The Grantee shall spend monies appropriated under this grant only for the purposes specified in this grant offer and as detailed by the Department's letters accompanying grant payments.
3. No Assignment or Delegation: The Grantee may not assign or delegate this grant award, or any part of it, or any right to money to be paid under it, except with the written consent of the Department.
4. Governing Law: This grant award is governed by the laws of the State of Alaska. The Grantee shall perform all aspects of this project in accordance with all applicable laws and regulations. It is the responsibility of the Grantee to ensure that all necessary permits required by the federal, state or local governments are obtained.
5. Grant Cancellation: The Grantee acknowledges the right of the Department under 18 AAC 78.513(e) to terminate this grant and seek recovery of payments already

made, plus interest at the rate set out in AS 45.45.010, if the Grantee has provided false or misleading information to the Department or if a grant condition contained herein or in 18 AAC 78 is violated. This includes failure of the Grantee to comply with state and federal requirements to report a release of a regulated substance; to start work within one year after the date of the financial assistance award; to follow approved plans, schedules, conditions and procedures in completing the project or administering the financial assistance; to use a certified storage tank worker to conduct work described in 18 AAC 78.455; and to enter into a signed agreement with the Department within 60 days after receipt of the financial assistance award letter or award letter amendment unless delays are due to the actions of the Department. This grant offer may be terminated at any time if the Department determines it is in the best interest of the State to do so.

6. Independent Grantee: The Grantee and any contractors, agents or employees of the Grantee act in an independent capacity and are not officers, employees, contractors or agents of the State in the performance of any activity carried out in connection with this grant award.
7. Titles and Easements: The Grantee agrees to obtain all titles and easements necessary to provide clear title or authority to access the project site and complete the proposed project.
8. Changes: The Grantee agrees to submit additional cleanup plans or other work plans for Department approval when the Department determines the site conditions or other factors dictate a change in plans or procedures.
9. Amendments: Changes of consultants and contractors or changes of technologies for testing, containment and cleanup, or corrective action as identified in the appended work plan will require an amendment to the grant offer. The Department will, in its discretion, issue an amendment to the grant to cover the costs of verified and reasonable contingencies or cost increases up to ten percent of the original grant offer.
10. Inspection: The Grantee agrees to allow, at all reasonable times and without notice, Department inspection of all project work and all records and data related to this grant.
11. Progress Reports: The Grantee shall conduct the work within an approved time schedule and submit periodic progress reports at the request of the Department.
12. Records: The Grantee agrees to maintain project accounts and records to support the grant eligibility of project expenditures. These accounts and records shall

clearly separate eligible and ineligible project costs and shall be kept until the project is complete, the cost records are verified by the Department and an audit, if requested, is completed by the Department or designee of the Department. The Department will, in its discretion, require the Grantee to account for the disposition and balance of the grant or loan by providing proof of payment for invoices or bank statements.

13. Separate Bank Account: The funds awarded as financial assistance, except for reimbursement, remain the property of the State of Alaska until the award is spent for an eligible cost. The Grantee shall maintain a separate bank account to be used solely for payment of eligible costs, and the account must be clearly identified for that purpose. The Grantee may not place any other money in this account, nor use the account for any other purpose. If, because of debts or obligations of the Grantee, a person asserts a lien, or seeks to attach, execute against, or in any way make a claim against money awarded for financial assistance, the Grantee shall immediately advise the person that the money is the property of the State of Alaska, take all reasonable steps to prevent seizure of the money, and notify the Department of that person's action. **If funds are deposited in an interest bearing account, the Grantee agrees to return to the State treasury any interest earned on the account and not spent for eligible project costs.**
  
14. Payments: In accordance with 18 AAC 78.555 the Department will pay the Grantee either a lump sum payment if the project is complete and the necessary documentation has been received and approved by the Department, or progress payments based on twenty percent of the grant at the time of award, and the remaining eighty percent paid in installments as necessary, upon receipt and approval by the Department of payment authorization forms that are supplied by the Department, completed and submitted by the Grantee and based on work completed, as evidenced by copies of original invoices. The Grantee's payment requests shall be supported with copies of original invoices showing the dates when and locations where the work was performed. Documentation required by the Department to be submitted with the pay request shall include copies of time sheets, descriptions of materials and parts, if appropriate under AS 45.75.282 a copy of the delivery tickets with a copy of the appropriate weights and measures certification report, listing of rental rates by equipment types, and subcontractor charges that are identified in detail and that explain the work accomplished, the materials used, equipment rentals and the labor costs. The Department will exclude from grant payments a portion of the costs not payable by the Department in accordance with AS 46.03.420(b) or 46.03.430(a). Final payment shall be based on actual eligible project expenditures as reported on the final payment request form. Expenses incurred or reported after submission of the final cost statement

and project completion certification by the Grantee are not eligible for payment. The Department, in its discretion, may issue two-party payments to the Grantee and the contractor for eligible costs of work completed.

15. Proof of Payment: The Grantee shall submit proof of payment of all invoices to the Department within 60 days after the Grantee receives payment of the financial assistance.
16. Eligibility: The Grantee acknowledges that disbursement of progress payments by the Department does not constitute acceptance of any item as an eligible project cost until final project costs are received, verified and determined to be eligible by the Department. Ineligible project costs, as identified under 18 AAC 78.514(a), will not be reimbursed and must be included in the final audit report. Ineligible project costs include costs that are recoverable by the Grantee from insurance coverage or from another person or entity liable for those costs. Therefore, if the Department determines a cost as eligible and the Grantee later recovers that cost from insurance coverage or from another person or entity liable for the cost, the Grantee shall promptly reimburse the Department for the cost.
17. Audits: The Grantee shall comply with all audit requirements of the Department to verify eligible project expenditures. If an overpayment of eligible costs is verified by audit, the Department will notify the Grantee of the overpayment. The Grantee agrees to promptly return to the Department the amount of the overpayment. If necessary the Department will seek recovery of payments plus interest charged at the rate set out in AS 45.45.010 and any other costs or fees allowable under the law.
18. Reportable Income: The Department shall provide the Grantee with an annual statement of financial assistance received for use in reporting taxable income to the Internal Revenue Service.
19. Compliance Agreement: The Grantee agrees that this signed grant offer shall constitute written agreement with the Department as required by 18 AAC 78.560 to ensure that sufficient abatement and containment measures will be taken in accordance with an approved corrective action plan to stabilize the site and to prevent the migration of contamination into an uncontaminated area. Based on the availability of money, the Department will, in its discretion, require the Grantee to fully implement the approved corrective action plan at the Grantee's expense.

20. Financial Responsibility: Pursuant to 18 AAC 78.513(b)(8) the Grantee shall provide proof of ability to meet financial responsibility requirements upon completion of the project if the facility is to remain in service.
21. Cost Recovery: Nothing in the grant offer affects the liability under state or federal law of any person or entity for the costs of risk management, containment, corrective action, and cleanup resulting from a release of petroleum. The Department reserves the right to seek recovery from the owner or operator of any and all costs regarding this facility.
22. Grant Termination Date: This grant is scheduled to terminate June 30, 1999. Therefore, the Grantee must submit all payments to the Department by June 15, 1999 to allow sufficient time to process payments prior to the grant termination date. The Department will not process payment requests submitted after June 15, 1999 from this grant.

Please carefully review this grant offer, the related grant conditions, and the enclosed regulations. If satisfactory, sign, notarize and return the original in the enclosed stamped envelope. **This grant offer must be signed and returned to the Department within 60 days of the receipt date or the Department will cancel the grant offer.**

Funds for this project will not be encumbered nor can progress payments be made until this grant offer is signed by the Grantee, notarized, and returned to the Department. Nothing in this offer, whether or not accepted, may be deemed to constitute a contractual obligation on the part of the Department or the State of Alaska until written acceptance has been received.

If you have any questions concerning this grant offer, please contact the Underground Storage Tanks Financial Assistance Program at (907)269-7504.

Sincerely,



Teresa Boston, Manager  
Underground Storage Tanks  
Financial Assistance Program

ACKNOWLEDGMENT

Joanne and Joe Browning say under oath and acknowledge that they have read the foregoing grant offer and conditions and attests that they are the owners of this facility. The below signature(s) indicates acceptance of all of the terms and conditions set out in this offer, including the requirements of applicable State law.

\_\_\_\_\_  
Typed or Printed Name                      Title                      Date

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Typed or Printed Name                      Title                      Date

\_\_\_\_\_  
Signature

State of \_\_\_\_\_  
\_\_\_\_\_ Judicial District (or County of \_\_\_\_\_)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ (date) by \_\_\_\_\_  
\_\_\_\_\_ (Grantee).

\_\_\_\_\_  
Notary Public in and for \_\_\_\_\_  
My commission expires: \_\_\_\_\_



Attachments: Appendix A - Cost Estimate Jackson Construction  
Appendix B - Alaska Lining and Retrofit Contract  
Appendix C - ADEC, Drinking Water & Wastewater Ltr, Dated 10/9/98  
Appendix D - Gilfilian Engineering & Environmental Testing Ltr, Dated 11/2/98  
Appendix E - ADEC, Drinking Water & Wastewater Ltr, Dated 11/25/98  
Appendix F - Recoverable Cost Affidavit  
Payment Authorization Form - Grant No. 15038442  
18 AAC 78.500 through 560  
Stamped Envelope for Return of Signed Grant Offer

cc: Gilfilian Engineering & Environmental Testing, Inc.  
Jackson Construction  
Paul Horwath, Storage Tank Program, Soldotna

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

TONY KNOWLES, GOVERNOR

### *Environmental*

1031 WEST 4<sup>TH</sup> AVENUE, SUITE 200

ANCHORAGE, ALASKA 99501-1994

PHONE: (907)269-5274

FAX: (907)278-7022

April 30, 2002

Mr. and Mrs. Browning  
Kasilof Riverview Lodge  
P.O. Box 254  
Kasilof, AK 99610

Re: Kasilof Riverview Lodge (Cost Recovery)

Dear Mr and Mrs. Browning;

I am a litigation assistant with the Alaska Department of Law, representing the Department of Environmental Conservation (DEC) on cost recovery matters. I am responsible for sending out the bill for collection for funds expended by the State of Alaska when responding to an oil or hazardous substance spill. Alaska law requires that the state recover these funds per AS 46.08.070(a). DEC has previously sent a letter of interest regarding the tank at Kasilof Riverview Lodge.

Attached please find a bill for collection for the funds the state expended in responding to this site. The amount currently owed the state is **\$2,250.63**. Please make your check payable to the State of Alaska and send it to my attention at the following address:

Kay J. Rawlings, Litigation Assistant  
State of Alaska, Attorney General's Office  
1031 West 4th Ave., Suite 200  
Anchorage, AK 99501

If you have questions, you can write to me at the above address.

Sincerely,



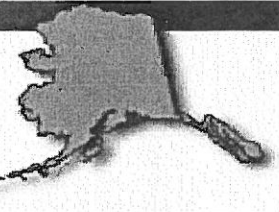
Kay J. Rawlings  
Litigation Assistant

Attached: Bill for Collection #C025378

cc: DEC Project Manager



# Alaska Department of Environmental Conservation



410 Willoughby Avenue, Suite 303, Juneau, Alaska 99801

<b>BILL FOR COLLECTION</b>		<b>STATE OF ALASKA</b>			<b>BILL NUMBER</b> C025378			
<b>B I L L T O</b>	<b>Kasilof Riverview Lodge</b> P.O. Box 254 Mile 109.5 Sterling Hwy Kasilof, AK 99610		<b>REMITTANCE ADDRESS</b>		<b>AGENCY CONTACT</b>			
			Department of Law Office of the Attorney General 1031 West 4th Avenue, Suite 200 Anchorage, AK 99501-1994 Attention: Kay Rawlings		Kay Rawlings <b>PHONE</b> (907) 269-5274		DATE 4/30/02 PAGE 1 of 1	
			Make Check Payable to: <b>State of Alaska</b>		<b>FEIN: 92-6001185</b>			
			<b>IMPORTANT</b> Mail remittance copy with your payment OR reference bill number on your payment					
<b>DATE</b>	<b>DESCRIPTION</b>			<b>QUANTITY</b>	<b>UNIT PRICE</b>	<b>AMOUNT</b>		
<b>Kasilof Riverview Lodge</b>  <b>Personal Services:</b>								
	Pay Period Ending 1/31/98	Paul Horwath		0.47	51.94	24.42		
	Pay Period Ending 3/31/98	Paul Horwath		1.40	51.94	72.72		
	Pay Period Ending 4/15/98	Paul Horwath		12.85	51.94	667.43		
	Pay Period Ending 4/30/98	Paul Horwath		6.47	51.94	336.06		
	Pay Period Ending 5/15/98	Paul Horwath		6.38	51.94	331.38		
	Pay Period Ending 6/15/98	Paul Horwath		1.72	51.94	89.34		
	Pay Period Ending 9/15/98	Paul Horwath		0.63	51.94	32.73		
	Pay Period Ending 9/30/98	Paul Horwath		3.62	51.94	188.03		
	Pay Period Ending 2/28/02	Don Seagren		8.50	48.43	411.66		
	Pay Period Ending 3/15/02	Don Seagren		2.00	48.43	96.86		
NOTE: For electronic payment, please send an email to <a href="mailto:ach@envircon.state.ak.us">ach@envircon.state.ak.us</a> identifying bill for collection number, amount and date of payment.					<b>AMOUNT DUE THIS BILL: \$2,250.63</b>			
<b>FIN</b>	<b>AMOUNT</b>	<b>SY</b>	<b>CC</b>	<b>PGM</b>	<b>LC</b>	<b>ACCT</b>		
1	2,250.63		18519998		149381XX	22511		
2								
3								
4								
Hourly rate for employees charged to billings is calculated based upon the employee's annual salary costs (salary and benefits) divided by the annual billable hours. Billable hours are based on total annual hours less paid holiday and average leave taken. Overhead costs include administrative overhead (accounting, payroll, personnel) and common costs (lease space, postage, telephone and copier costs). Interest will accrue 30 days after date of billing at the rate described in AS 09.30.070 on any unpaid balance.								

Exhibit \_\_\_\_\_

Alaska Department of Environmental Conservation  
 Site Time Tracking Report

All Hours Charged to (Owner or Responsible Person): Kasilof Riverview Lodge  
 For Time Recorded Between 12/1/1997 and 3/26/2002

Site Name: Kasilof Riverview Lodge  
 Event ID: 698  
 RecKey (AltEventID): 93230015402  
 Ledger Code: 149381

Facility Name: Kasilof Riverview Lodge  
 Facility ID: 384  
 OwnerID: 593

Staff *Paul, Horwath*

Collocation Code: 18-53-1062

Date	Activity	OT Hours	Reg Hours	Total Hours	Comments
1/27/1998	Miscellaneous	0.00	0.47	0.47	Review grant offer letter and comment on RP compliance regarding grant eligibility to Teresa Boston.
3/25/1998	Meetings	0.00	1.40	1.40	Discuss grant application and site assessment requirements with Mike Mooney and Teresa Boston by telephone. Discuss approach to project.
4/6/1998	Phone Call	0.00	0.60	0.60	Phone call with Mike Mooney, and fax copies of correspondence up to FAP, Anchorage.
4/8/1998	File Review	0.00	1.42	1.42	Review history of DEC correspondence with the Brownings'. Telecom with Teresa Boston regarding approach for grant and compliance issues.
4/9/1998	File Review	0.00	2.10	2.10	File review, telecom with Teresa Boston. Strategize STP approach to non-compliance and tank system upgrade
4/10/1998	Letter Preparation	0.00	3.90	3.90	Letter preparation, telecom with Chris Hawe, Teresa Boston, Michael Mooney. Fax letter to Brownings and
4/13/1998	Miscellaneous	0.00	2.80	2.80	Discuss drinking water system conflicts with David Litchfield, David Johnson. Review site plan drawing. Telecom with Teresa Boston and Mike Mooney. Share conflicts with well separation distances.
4/15/1998	Report Review	0.00	2.03	2.03	Review release investigation workplan. Fax plan to Mike Mooney. Respond to Gilfilian's work plan. Draft e-mail message to Mike Mooney regarding well classification and separations distances.
4/16/1998	Miscellaneous	0.00	1.07	1.07	Grant, well separation, Release Investigation
4/17/1998	Miscellaneous	0.00	1.62	1.62	Discuss well separation violation and UST grant with D.Johnson, D.Litchfield, Scott Forgue, Teresa Boston, Michael Mooney.
4/20/1998	Letter Preparation	0.00	3.20	3.20	Discuss FAP grant, well separation, letters with D. Litchfield, Teresa Boston and review/edit draft letters from both Teresa and Litchfield.
4/29/1998	Phone Call	0.00	0.58	0.58	Phone conversation with Chris Hawe re: release investigation results and relocation of the last soil boring at the pump island. One deep boring versus two shallow borings. Discuss with Litchfield & Forgue.
5/12/1998	Phone Call	0.00	1.10	1.10	Telecom with Chris Hawe. Discuss soil sample results and schedule for receiving report and wai ver.
5/13/1998	Miscellaneous	0.00	0.43	0.43	Discuss results of Chris Hawe's release investigation sampling with Scott Forgue.

5/20/1998	Miscellaneous	0.00	1.22	1.22	Deal with inquiry from Teresa Boston on response to waiver and release investigation report.
5/21/1998	Report Review	0.00	3.63	3.63	Review Gilfilian's Release Investigation Report and Waiver Request. Telecom to Jim Hayden and Teresa Bostog and Michael Mooney. Discuss with Scott Forgue and David Johnson.
6/11/1998	Miscellaneous	0.00	1.12	1.12	Generate e-mail to Teresa Boston regarding identification of remaining work tasks for tank closure and release investigation. Inform Teresa that facility is in compliance with LUST regs, and that remaining work is required in association with the Upgrade
6/11/1998	Meetings	0.00	0.60	0.60	Discuss project with Scott Forgue. Discuss interrelationship of USTs with DW and DWW programs.
9/4/1998	Miscellaneous	0.00	0.63	0.63	Generate e-mail to Teresa Boston to relay status of project per Scott Forgue.
9/22/1998	Letter Preparation	0.00	3.62	3.62	Respond to Gilfilian's Phase I release investigation report and provide technical assistance regarding future site assessment requirements.
<b>Sum</b>		<b>0.00</b>	<b>33.53</b>	<b>33.53</b>	

**Staff *Don, Seagren***

Collocation Code: 18-53-1645

Date	Activity	OT Hours	Reg Hours	Total Hours	Comments
2/26/2002	File Review	0.00	2.00	2.00	Locate, review & organize file
2/27/2002	File Review	0.00	5.00	5.00	Talked to consultant & reviewed file
2/28/2002	File Review	0.00	1.50	1.50	reviewd UST upgrade site assessment
3/1/2002	Letter Preparation	0.00	1.00	1.00	Prepared status letter
3/1/2002	Letter Preparation	0.00	1.00	1.00	discussed with Horwath, finalized status letter
<b>Sum</b>		<b>0.00</b>	<b>10.50</b>	<b>10.50</b>	

**Grand Site Total Hours 0.00 44.03 44.03**

Data on this form is a correct record of hours worked and activity performed:

Supervisor's

Date:

# STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

## DEPT. OF ENVIRONMENTAL CONSERVATION

### DIVISION OF SPILL PREVENTION AND RESPONSE CONTAMINATED SITES PROGRAM

43335 K-Beach Road, Suite 11  
Soldotna, AK 99669  
PHONE: (907) 262-5210  
FAX: (907) 262-2294  
<http://www.state.ak.us/dec/>

File: 2319.26.002

24 January 05

Joanne and Joe Browning  
Kasilof Riverview Tesoro  
P.O. Box 254  
Kasilof, Alaska 99610

FILE COPY

Re: Kasilof Riverview Lodge; ADEC Spill # 1993230015402: UST Facility ID # 384  
(Loan Program & Limited Immunity Notification)

Dear Ms. and Mr. Browning:

Dear Grant Participant:

The Storage Tank Assistance Program served to provide financial assistance to owners and operators in the investigation and cleanup of impacts caused from the leaking underground storage tank (LUST) systems. However, the grant program ended on June 30, 2004 and was replaced by a loan program. Janice Brinck may be contacted at (907) 269-7563 for information on the loan program. Since there may be unresolved environmental issues remaining at former grant sites, the Alaska Department of Environmental Conservation (ADEC) is contacting the former UST grant recipients regarding their plans and/or intentions to continue the cleanup actions at their respective sites.

It is the Department's mandate to ensure that appropriate action is taken at these sites to ensure protection of human health and the environment. We recognize that most sites received significant remedial action under the grant program but additional investigation; cleanup and/or monitoring may be necessary. There may also be issues associated with the establishment and maintenance of institutional (or engineering) controls to prevent exposure.

By this letter, you are requested to contact this office and indicate your intentions to complete the cleanup and/or monitoring actions that may still be required at your site. ADEC will work with you to identify an approach that will be protective of human health and the environment and hopefully cost effective.

Please note that the Storage Tank Assistance Program provided limited immunity from cost recovery for Department oversight costs associated with a regulated UST system for certain releases from the USTs before December 22, 1992. Sec. 4, Ch. 96 SLA 1990. In order to continue in this limited liability status, you would have to continue to act in "good faith" to address any contamination remaining on site in accordance with 18 AAC 78 regulations. In the event you are

unwilling or unable to continue the necessary corrective actions, DEC may assume the lead role in the cleanup process and seek to recover costs - if you are determined not to be acting in good faith.

If you have any questions or require clarification, please contact me. Otherwise, we look forward to hearing from you regarding your intentions on this matter by 30 May 05.

Sincerely,



Don Seagren  
Environmental Specialist

CC: Arne Tikka, A.C.E. Engineering/Soldotna