THE STATE of ALASKA
GOVERNOR MICHAEL J. DUNLEAVY

Department of Environmental Conservation

DIVISION OF SPILL PREVENTION AND RESPONSE
Contaminated Sites Program

43335 Kalifornsky Beach Rd. Ste 11
Soldotna, AK 99669
Phone: 907.262.5210
Fax: 907.262.2294

File: 2638.38.001

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March 19, 2025

Michael C Shupe, Registered Agent
c/o Kay Shupe
Polar Equipment, Inc.
1035 West Northern Lights Boulevard
Anchorage, AK 99503

Re: Cook Inlet Processing – Uganik contaminated site

Dear Mr. Shupe:

This letter is regarding the Cook Inlet Processing – Uganik contaminated site located in Uganik Bay on the north coast of Kodiak, Island. The Alaska Department of Environmental Conservation (DEC) has recently reviewed the environmental records for this site and has determined that contamination remains above the DEC human health and maximum allowable concentration cleanup levels. The purpose of this letter is to provide you with a brief history of the site and to outline the existing data gaps which need to be addressed before this site can be considered for closure.

In 2002, an environmental site assessment (ESA) completed by GeoEngineers, Inc., documented concentrations of diesel range organics (DRO) exceeding DEC soil cleanup levels at several locations throughout the property. The contamination is attributed to the storage and use of heating oil and diesel fuels at the facility. Based on these findings, the Uganik Bay processing facility/property was entered into the DEC Contaminated Site Program database under the site name **Cook Inlet Processing – Uganik**.

DEC sent multiple letters to Cook Inlet Processing between 2002 and 2005 requesting additional site characterization be performed at the site, consistent with the requirements of 18 AAC 75, Alaska Oil and Hazardous Substances Pollution Control regulations. Cook Inlet Processing responded to these letters in July 2003 and March 2005, stating that remediation was not occurring or planned for the site.

In 2018, DEC sent a letter notifying Polar Equipment, Inc. (listed as the landowner) of financial liability for the investigation and cleanup of the hazardous substances at the site. A site characterization work plan was once again requested in this letter. Following this letter, a work plan was received, and approved, in May 2018.

Site characterization work completed in 2018 documented the presence of petroleum contamination above DEC Method 2 cleanup levels for DRO throughout the site. Concentrations of DRO exceeded the maximum allowable concentrations in two soil samples collected from Area 2 (identified as the area near the 20,000-gallon aboveground storage tank and 8,000-gallon above ground stove oil tank and bunkhouse). DEC

requested that site characterization be prioritized in Area 2 to better delineate the extent of contaminated soil above the maximum allowable concentrations.

As requested, in 2019, additional soil characterization sampling was conducted in Area 2. DRO was detected above the DEC migration to groundwater cleanup (MTG) level in 33 of the 34 samples collected. Thirteen of the sample results reported DRO at concentrations above the maximum allowable concentration. The extent of contamination was not successfully delineated.

Additional site characterization has been requested by DEC in various communications from 2020-2023. In August 2024, DEC held a teleconference with Glenn Hasburgh from Environmental Management Inc., representing Polar Equipment. DEC requested further delineation; however, Mr. Hasburgh stated his client would like to resample the previously investigated areas to determine the rate of natural attenuation occurring. DEC agreed with the stipulation that additional sampling occur to delineate contamination. To date, a work plan has not been submitted.

As previously mentioned, you are documented as the owner and operator of the Cook Inlet Processing – Uganik site and therefore you are financially responsible or liable under AS 46.03.822 (Strict Liability for the Release of Hazardous Substances) for the investigation and cleanup of any hazardous substance contamination. Previous site investigations have documented petroleum contamination present in concentrations that pose an unacceptable risk to human health and the environment. DEC requests that you submit a work plan developed by a qualified environmental professional, to complete site characterization and/or cleanup. Please submit a written response to DEC by May 1, 2025, indicating the timeline for completing a work plan to be submitted for review. DEC is also available to meet and discuss any questions you may have.

If you have any questions, please feel free to contact me at 907-262-8200 or you can send an email to dawn.wilburn@alaska.gov.

Sincerely,

Dawn Wilburn
Environmental Program Specialist
Contaminated Sites Program

Electronic cc: Bill Fejes, bfejes@arcti.net
Andrea Carlson, andrea.carlson@alaska.gov
Glenn Hasburgh, Environmental Management, Inc, ghasburgh@emi-alaska.com