



Kaia's copy

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

P.O. Box 47775 • Olympia, Washington 98504-7775 • (360) 407-6300
June 19, 2000

CERTIFIED MAIL

Mr. Steve Banchemo
President
Emerald Services, Inc.
7343 East Marginal Way South
Seattle, WA 98108

Dear Mr. Banchemo:

Enclosed for your files is a duplicate original of the signed payment agreement between the Department of Ecology and Emerald Services, Inc. for corrective action activities at Emerald's facility located at 1825 Alexander Avenue, Tacoma, Washington.

If you have any questions or comments about the payment agreement or corrective action activities at Emerald's Tacoma facility, please call me at (360) 407-6359.

Sincerely,

Kaia Petersen

Kaia Petersen
Hydrogeologist
Southwest Regional Office

Enclosure

cc w/encls: Paul Jeuris, Emerald Services, Inc.
Ralph Devin, Emerald Services, Inc.
Andy Fitz, Assistant Attorney General



original

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DEPARTMENT OF ECOLOGY
3700 PINEHURST DRIVE

**AGREEMENT
BETWEEN THE
STATE OF WASHINGTON, DEPARTMENT OF ECOLOGY
AND
EMERALD SERVICES, INC.**

This Agreement is made and entered into between the Washington State Department of Ecology, hereinafter referred to as "Ecology," and Emerald Services, Inc.

WHEREAS, Emerald Services, Inc. is the owner/operator of a "facility" as defined by the Hazardous Waste Management Act of 1976 as amended (Chapter 70.105 RCW) and its implementing regulations (Chapter 173-303 WAC);

WHEREAS, this facility is located at 1825 Alexander Avenue, Tacoma, Washington, and is assigned Ecology/EPA ID No. WAD981769110;

WHEREAS, Emerald Services, Inc., effective May 1, 2000, purchased the facility from Sol-Pro, Inc;

WHEREAS, releases and/or potential releases of dangerous waste constituents from solid waste management units (SWMUs) and areas of concern (AOCs) at the facility are documented in the *RCRA Facility Assessment PR/VSI Report - Chemical Processors, Inc., Northwest Processing, Inc., Sol-Pro, Inc., Chemical Processors, Parcel A, Tacoma, Washington*, dated February 1990.

Work under this Agreement will include but not be limited to the following: (1) final facility permit section negotiation and approval for corrective action; (2) general corrective action oversight, inspection, and administration; (3) development, issuance, and oversight of a wastewater discharge permit, if necessary; (4) water quality engineering documents (report, treatability study, plans and specifications, and operation and maintenance manual) review and approval, if necessary, and (5) other related work tasks as directed by Ecology, in reference to the Hazardous Waste and Toxics Reduction Program Policy 4-27.

At the inception of the Agreement, and during the second week of each quarter thereafter, the Ecology project manager shall meet with the Emerald Services, Inc. project manager to: (1) establish priorities, tasks, projected accomplishments, projected staff involvement, and projected costs for the coming quarter; (2) review activity, progress, accomplishments, and available costs for the previous quarter; and (3) identify and resolve any problems and issues.

The project manager for Ecology is:

Kaia Petersen
Department of Ecology
Southwest Regional Office
PO Box 47775
Olympia, WA 98504-7775
Phone: (360) 407-6359
FAX: (360) 407-6305
e-mail: kpets461@ecy.wa.gov

The project manager for Emerald Services, Inc. is:

Paul Jeuris
Emerald Services, Inc.
3401 Lincoln Avenue
Tacoma, WA 98421
Phone: (253) 627-4822
FAX: (253) 627-4997
e-mail: paulj@emerald.dnw.com

PAYMENT OBLIGATIONS

1. Emerald Services, Inc. agrees to pay for Ecology's costs associated with rendering services described in the Section, "Project Scope of Work." These costs shall be reasonably attributable to corrective action activities associated with the facility.

2. Ecology's costs include both those costs incurred after April 1, 2000, but prior to the execution of this Agreement (Past Charges) and those costs incurred during the period of this Agreement (Current Charges). Costs incurred during the period of Agreement are accrued during each calendar quarter and will be included in a quarterly invoice. Past Charges, as defined above, will be included in the first quarterly invoice together with Current Charges.

3. Ecology's costs are calculated in accordance with WAC 173-340-550 (Payment of remedial action costs). WAC 173-340-550 is hereby incorporated by reference.

4. Invoices shall be prepared and mailed each calendar quarter. Payment is due ninety (90) days after receipt of an invoice. Interest charges consistent with RCW 43.17.240 shall be assessed on payments not made by the due date for Past Charges or Current Charges indicated on the invoice. Invoices will be mailed to Emerald Services, Inc., 7343 East Marginal Way South, Seattle, WA 98108. Invoices will include a statement of costs charged, including identification of and amount of time spent by involved staff members. A general description of work performed (site logs) will be provided with each invoice.

COSTS RECOVERED FROM OTHER PARTIES

The parties intend that Ecology will, in all cases involving cleanup of the Emerald Services, Inc. facility under corrective action, achieve 100 percent recovery for its costs. Ecology does not intend to recover more than 100 percent of costs of any project.

PERIOD OF PERFORMANCE

This Agreement shall be effective on the date it is executed by the parties and shall remain in effect until corrective action has been completed or the Agreement has otherwise been terminated sooner as provided herein.

HOLD HARMLESS

Each party shall defend, protect and hold harmless the other party from and against all claims, suits or actions arising from any intentional or negligent act or omission of its employees, agents and/or authorized subcontractor(s) while performing under the terms of this Agreement.

RECORDS SUPPORTING REQUEST FOR PAYMENT

Ecology shall maintain all records supporting every request for payment in a manner that will provide an audit trail of the expenditures made pursuant to this Agreement and shall be available to Emerald Services, Inc. or its representatives upon request.

TERMINATION

Each party may terminate upon thirty (30) days written notice if the other party has breached any of the terms of this Agreement and has failed to remedy such breach within thirty (30) days following receipt of notice of the breach. Either party may terminate this Agreement for its convenience upon not less than ninety (90) days' prior written notice. Emerald Services, Inc. shall be obligated for payment pursuant to this Agreement for all work performed prior to the effective date of termination.

DISPUTE RESOLUTION

Except as otherwise provided in this Agreement, any dispute arising under this Agreement concerning the adequacy of performance of this Agreement which is not disposed of either by agreement between the parties or by termination, shall be decided by the manager of Ecology's Hazardous Waste and Toxics Reduction ("HWTR") Program or other authorized official of Ecology. Emerald Services, Inc. shall notify Ecology promptly of any matter it wishes to dispute. If Emerald

Services, Inc. wishes to dispute any Ecology charges for which it has been billed, Emerald Services, Inc. shall notify Ecology within ten (10) days of receipt of the invoice. The HWTR program manager, or other authorized official shall review the matter under dispute, reduce his/her decision to writing, and furnish a signed copy to Emerald Services, Inc. The decision of Ecology's HWTR program manager, or Ecology's authorized official, shall be the final and conclusive decision of Ecology. Emerald Services, Inc.'s obligation to pay any amount in dispute shall be suspended until Ecology has finally resolved the dispute.

Review of the decision of Ecology shall not be sought under chapter 43.21B RCW. Any action or proceeding brought to enforce or otherwise arising out of or relating to this Agreement shall be brought in the Superior Court of Thurston County. Pending final resolution of a dispute pursuant to this paragraph, Emerald Services, Inc. shall proceed diligently with the performance of this Agreement and in accordance with Ecology's final decision.

COMPLIANCE WITH APPLICABLE LAWS

Both parties agree to comply with all applicable federal and state laws, rules, and regulations.

RELATION TO PAST AGREEMENTS

Upon the date of execution to this Agreement, this Agreement supersedes that agreement identified as Payment #8R28, signed October 20, 1998, between Ecology and Sol-Pro, Inc. and any and all prior agreements between Ecology and Sol-Pro, Inc. with respect to cost reimbursement for Ecology's oversight of corrective action at the above-identified facility. Nothing in this Agreement shall be construed to discharge or forgive Sol-Pro, Inc.'s obligation pursuant to any existing payment agreements, to reimburse Ecology for costs associated with services performed by Ecology prior to April 1, 2000.

AGREEMENT ON ALTERATIONS AND AMENDMENTS

Ecology and Emerald Services, Inc. may mutually amend this Agreement. Such amendments shall not be binding unless they are in writing and signed by authorized representatives of both parties.

ALL WRITINGS CONTAINED HEREIN

This Agreement contains all the terms and conditions agreed upon by the parties. No other understandings, oral or otherwise, regarding the subject matter of this Agreement shall be deemed to exist or to bind any of the parties hereto.

In witness thereof, the parties execute this Agreement.

DATED this 15th day of JUNE, 2000.

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

By K Seiler

K Seiler
Section Manager
Hazardous Waste Toxics Reduction Program
Southwest Regional Office

EMERALD SERVICES, INC.

By [Signature], CFO/SEC,

FOR
Steve Banchemo
President

Approved as to form only:

STATE OF WASHINGTON
ATTORNEY GENERAL'S OFFICE

By [Signature]

Andrew A. Fitz
Assistant Attorney General