



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

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August 11, 2009

Mr. Don Measamer
P.O. Box 547
904 6th Street
Anacortes, Washington 98221

Dear Mr. Measamer:

The Department of Ecology (Ecology or we) has reviewed the SEPA Checklist 09-4399 regarding the development (Grade and Fill) of the uplands portion of MJB Properties South Dock Area. As discussed below, we have serious concerns regarding this project. In addition, the information provided in the checklist is incomplete, potentially making it difficult for the city of Anacortes to make well informed decisions about the project and its possible impacts.

1. The MJB Properties Central/South (Site) is currently listed on Ecology's Confirmed and Suspected Contaminated Sites List (CSCSL) database with FSID# 2690. Specific contaminants that have been detected during the Department of Transportation (DOT) investigation include: petroleum oil (9 mg/kg-48 mg/kg), chromium (4 mg/kg-36 mg/kg), copper (4 mg/kg-40 mg/kg), lead (6 mg/kg-490 mg/kg), nickel (5 mg/kg-38 mg/kg), zinc (11 mg/kg-130 mg/kg), benzene (0.081 mg/kg-0.15 mg/kg), toluene (0.068 mg/kg-0.3 mg/kg), ethyl benzene (0.2 mg/kg-0.36 mg/kg), xylenes (0.078 mg/kg-0.65 mg/kg), trichloroethylene (0.3 mg/kg), tetrachloroethylene (0.19 mg/kg-0.33 mg/kg), chlorobenzene (0.34 mg/kg) and dichlorobenzene (0.48 mg/kg-1.3 mg/kg). However, lead, zinc, benzene, trichloroethylene (TCE) and tetrachloroethylene (PCE) concentrations exceed the current MTCA cleanup levels of 220 mg/kg, 11 mg/kg, 101 mg/kg, 0.03 mg/kg and 0.05 mg/kg respectively. Nonetheless, the detection limits (DL) used for some of the analysis was higher than the current Model Toxics Control Act (MTCA) cleanup levels. For example: the DL used for benzene, TCE and PCE was 0.5 mg/kg, which is almost ten times higher than their cleanup levels. In addition, some unknown compound with potentially high concentrations was identified during the PCB screening analysis (copy of the laboratory sheet is enclosed for your information).
2. As discussed above, there is inadequate information and a number of uncertainties at this time to determine whether or not these properties are clean. Additional investigation with state-of-the-art analytical methods with lower detection limits may show more contamination on the Site. Therefore, Ecology is currently working with the MJB property owners and their consultants for further site investigation to gather the necessary soils, sediment and groundwater data to make a decision regarding delisting of these properties from the CSCSL, or whether further study and cleanup may be required.



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3. In August 2008, Ecology received a letter from Mr. Gary Merlino and Mr. Jack Jones requesting removal of the Site from the CSCSL. After reviewing the above-referenced letter and the available information, we concluded that there was insufficient information at this time to delist the Site from the CSCSL. On January 22, 2009, Ecology sent a letter to Mr. Merlino and Mr. Jones requiring further site investigation, cleanup, or information demonstrating that the Site was listed in error. Nonetheless, so far no information has been received by Ecology. Copies of the above letters are enclosed for your information.
4. The portion of the Site that is being proposed for the development was filled with hydraulic fill. The Fidalgo Bay Sediment Investigation conducted by Ecology in 2008 showed that some Fidalgo Bay area sediments contain dioxins and furans (D/F). Since there is no dioxins/furans (D/F) information available within the hydraulic fill area, there is the potential for D/F contamination to be present on this area. In addition, results of a Department of Transportation (DOT) investigation showed the exceedences of metals and volatile organic compounds (VOCs) on the property with respect to the current MTCA cleanup levels.
5. On May 4, 2009, Ecology met with Kathleen Goodman and Cliff Whitmus, MJB environmental consultants, to discuss further investigation needed on the Site and additional data collection. During the meeting it was requested that they submit a work plan containing Phase I and Phase II investigation approach/details for the central and southern portion of the MJB property respectively for our review. However, to date we have not received any work plan for our review.
6. Section 7 in page 11 of the SEPA checklist has been improperly completed. Since the Site is still listed on Ecology's CSCSL with FSID #2690, it would have been advisable to inform the city of its listed status in the above database. In addition, some information about the specific contaminants present should be included in the SEPA checklist. Based on the potential presence of contamination, there may be exposure to hazardous chemicals during this project. This information was not presented in the checklist for the city to evaluate.
7. The proposed project includes approximately 11,540 cubic yards of grading, which Ecology considers a significant volume of material. Ecology highly recommends that site investigation be conducted prior to any excavation activity or relocation of materials to obtain reliable and representative results regarding any potential contamination present on the property. Post excavation sampling/investigation will result in mixing of a large quantity of soil causing dilution and will not provide representative results.
8. The Archaeological Assessment conducted was inadequate to fully evaluate any potential Archaeological Resources present at the property. We understand that the Tribes and the Department of Commerce (formerly the Department of Archaeological and Historic

Preservation) were not involved or consulted during the development of this Assessment report. The conclusion section of this report states that "any archaeological site that might once have existed at the site has certainly been destroyed." This conclusion does not preclude the presence of significant archeological and/or cultural resources that may still be remaining on the Site, and therefore may warrant some close re-evaluation of the property in consultation with the Department of Historic and Cultural Preservation and the affected tribes.

9. The project work also includes the construction of stormwater drainage facilities on the Site during which potentially contaminated groundwater could be encountered. This could exacerbate any existing conditions by the potential discharge of contaminated groundwater into the Fidalgo Bay. As such, sediment samples should be taken at the future discharge point prior to construction of the storm drain in order to obtain pre-discharge conditions to be used as background concentrations for monitoring comparisons. Also, since the groundwater condition at the Site is unknown, any groundwater encountered during the excavation must be stored in temporary storage tanks and must be tested for metals, semivolatile organic compounds, volatile organic compounds and polycyclic aromatic hydrocarbons to determine the appropriate disposal options.
10. There are four groundwater monitoring wells present on the property with above ground completion. Some or all of these wells may be impacted by the proposed development. All these wells must either be abandoned or converted into flush mounted wells as per the requirements of Chapter 173-160 WAC, Minimum Standards for Construction and Maintenance of Wells. If these wells are not properly handled, they could serve as conduits to the migration of potential contamination.
11. The information provided under section B(1)(e) of the SEPA checklist regarding the source of imported material (crushed rock and rockery) is incomplete. The checklist must state the exact source/quarry from which approximately 5000 cubic yards of the material will be imported for backfilling. This information is important to assure that a clean material is imported for backfilling instead of contaminated material with elevated metal concentrations that may exceed MTCA cleanup levels. Backfilling with any imported material with elevated metal concentrations may result in additional cleanup as seen on the MJB Properties portion of the Scott Paper Mill Site currently under remediation.

In conclusion, Ecology recommends prior to the permitting this project, to adequately ensure protection of human and health and the environment, as well as ensure the preservation of state's cultural and historical resources, the city receive documentation of the following from the applicant:

- Results of Site sampling investigation with a plan for remediation if necessary.

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- Notification of consultation for historic and archeological resources with the Department of Commerce and affected Tribes.
- The application for an NPDES indicates that this area is currently on the CSCSL.

If you have questions concerning these comments, or if we can be of any assistance to you regarding these matters, please contact Panjini Balaraju at 360-407-6161 or Sandra Caldwell at 360-407-7209.

Sincerely,

A handwritten signature in cursive script that reads "Sandra Caldwell" with a small "for" written below the name.

Sandra Caldwell
Toxics Cleanup Program
Land Cleanup Unit