



ENVIRONMENTAL MANAGEMENT RESOURCES

June 20, 2000

Chuck Hinds
WDOE Southwest Regional Office
PO Box 47775
Olympia, WA 98504-7775

RE: Initial Request for Prospective Purchaser Agreement
Material Reclamation Company ("Maralco") Site
7730 South 202nd Street, Kent, Washington

Dear Mr. Hinds:

Enclosed is a request by Brown Dog Investments, LLC (Brown Dog) to work with Washington Department of Ecology (WDOE) under a Prospective Purchaser Agreement on the 4-acre parcel comprising the improved portion of the Maralco Site. Brown Dog intends to continue to pursue the balance of the Maralco Site, but is unable to secure an interest, or gain a mutual agreement with the holder of the balance of the Site to cleanup the property.

Brown Dog intends to finalize this PPA application into a detailed application without delay. Please pass on any questions or comments as soon as possible so that the end product will be consistent with your expectations. Brown Dog and EMR look forward to working with you to clean up this Site.

Very Truly Yours,

A handwritten signature in black ink, appearing to read "Don Clabaugh". The signature is written in a cursive style.

Don Clabaugh, CPG, PE
Senior Project Manager

cc: Dale Frank

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INTRODUCTION

Brown Dog Investments, LLC (Brown Dog) is interested in working with Washington Department of Ecology (WDOE) under a Prospective Purchaser's Agreement (PPA) on the Maralco Site in Kent, Washington. This document is the initial application to the PPA program, and if WDOE is favorable to the application a detailed application will follow within two weeks.

Brown Dog has purchased ULLICO's paper position on the Maralco Site. ULLICO was the first lien holder on the western approximately four-acre parcel of the Site, which is the improved portion of the Site. A property description is included in Section 1.2. Brown Dog has completed limited due diligence to investigate the viability of the property, and would like to complete the due diligence under the PPA program. Brown Dog may then request a PPA be executed on the four-acre parcel.

The balance of the property is consists of the approximately seven acres east of the improved parcel. Brown Dog does not have a controlling interest in this parcel, and has not been successful in their attempts to purchase the property. Brown Dog will continue to contact the lien holder of that property and attempt to secure the property or conduct a joint cleanup of the two parcels.

This PPA is, and can, only concern the western approximately four-acre parcel of the Site that Brown Dog has secured. Brown Dog's intention is to buy and foreclose on the four-acre parcel, cleanup the parcel and start a warehousing operation on the parcel.

1.1 Report Organization

This report presents information necessary for WDOE to evaluate Brown Dog's request for a PPA for the Maralco Site. Specific information required by WDOE for the evaluation, and the location of that information in this report, is as follows.

1. The proposed remedial action, including the schedule for the work. (Section 3.4)
2. Information which demonstrates that the settlement will lead to a more expeditious cleanup, be consistent with cleanup standards if the remedial

action is a cleanup action, and be consistent with any previous orders. (Section 3)

3. The facility, including location and boundaries. (See Section 1.2)
4. The environmental problems to be addressed including a description of the releases at the facility and the potential impact of those releases to human health and the environment. (Section 2.4)
5. A summary of the relevant historical use or conditions at the facility. (Section 1.3)
6. The date on which the person proposing the settlement will be ready to submit a detailed proposal. (Section 5.1)
7. Any special scheduling considerations for implementing the remedial actions. Include the current proposed schedule for purchase, redevelopment or reuse of the site. In general, Ecology anticipates a maximum 90-day negotiation time period for prospective purchaser agreements. (Section 5)
8. Names of other persons who the applicant has reason to believe may be PLPs at the facility. (not applicable)
9. A proposed public participation plan. The proposed plan should be commensurate with the nature of the proposal and site and include the elements listed in WAC 173-340-600(8). (Section 4)
10. Identification of the person(s) proposing the agreement. If a privately held company and not a person, the application must identify the corporate officers and all owners. If a publicly held company, the corporate officers and persons with more than 10 ownership interest in the company must be identified. Any affiliation between these persons and the current and past owners and operators and other PLPs at the site should be identified. (Section 5)
11. Sufficient information to rank the site using Ecology's WARM ranking method. (Section 2.3)
12. A general description of the proposed continued use or redevelopment, or reuse of the site. (Section 5.2)
13. A general description of the public benefits of the settlement. (Section 5.3)

1.2 Site Location and Features

The Maralco Site is located on approximately 12.04 acres located at 7730 South 202nd Street in Kent, Washington. The portion of the Maralco Site that Brown

Dog has secured interest, and is submitting this application for a PPA, is described as follows:

That Portion of Tract 27 of O'Brien Station Garden Tracts No. 2, according to plat recorded in Volume 15 of plats at page 66 in King County, Washington, commencing at the northwest corner of said tract 27; thence south 88°13'13" east a distance of 385.41 feet; thence south 01°46'47" west a distance of 190.00 feet; thence north 88°13'13" west a distance of 14.08 feet; thence south 01°46'47" west a distance of 320.26 feet; thence north 88°13'13" west a distance of 301.13 feet to a point on the east line of the west 35 feet of said tract 27, said point lying 1200 feet south of, as measured at right angles, from the north line of Tract 21 of said O'Brien Station Garden Tracts No. 2; thence north 06°03'13" west along said east line a distance of 515.07 feet to the true point of beginning.

From 1980 to 1986, Maralco operated an aluminum recycling/refinery facility on a portion of the Site. A 45,000 square foot building of tilt-slab construction was built on the site in about 1980. East of the building is a railroad spur that accesses the property, in which Brown Dog also has a security interest.

The facility produced aluminum alloy ingots from aluminum cans and aluminum metal scrap. Waste products from the operation included black dross, furnace slag, and baghouse dust. During the first year of operation, the wastes were transported off-site to the Cedar Hills landfill in Issaquah, Washington. After 1981, the wastes were stored on-site primarily on the eastern portion of the property.

1.3 Site Background

Malalco filed for bankruptcy in May 1983 and ceased operations in November 1986. The property is currently managed by a bankruptcy examiner, Quentin Steinberg. ULLICO, Seattle-First National Bank and Leasco Washington, Inc. and the State of Washington entered into a tri-party agreement, which was approved by the United States Bankruptcy Court for the Western District of Washington, at Seattle, cause numbers 83-01372 and 83-01373 on August 9, 1989.

When the property went into bankruptcy and per the bankruptcy order/agreement the State agreed to clean up the property when it appropriated funds and then the property would be sold, with the State being reimbursed its costs and the balance of the funds to be split between the State and the bankruptcy estate (technically

ULLICO and Independent Financing Services). The State has purportedly expended approximately \$500,000 to date.

Remedial investigations and feasibility studies to date included an on-site pilot study of black dross recycling, and interim remedial plans by various environmental service providers under contract to Ecology. These studies included:

- Phase I Remedial Investigation Report, MK-Environmental Services, February, 1991;
- Phase I Feasibility Study Report, MK-Environmental Services, March, 1991; and
- Work Plan for Ongoing RI/FS Activities, MK Environmental Services, June, 1991.

In addition, the 35,000 gallon underground diesel tank was removed and decommissioned (Enviros, 1995). A review of remediation options also has been completed at the site (May, Enviros).

A regulatory history of the Site is documented in Section 1.1 of the RI, and a description of how waste was produced at the site is included as Section 1.2 of the RI.

REMEDIAL INVESTIGATION

A Phase I remedial investigation was completed at the Maralco Site in 1991 (MK-Environmental Services, 1991a). A workplan for Phase II activities was completed in 1991, but the planned work was not completed (MK-Environmental Services, 1991b).

2.1 Phase I Remedial Investigation

The Phase I RI conducted at the Site concluded that the waste materials contained contaminants that were potentially dangerous to human health or the environment. Impacts to soil and groundwater, however, were minimal and were mainly contained within the upper one foot of soil underlying the dross storage area. The evaluation of groundwater was incomplete. The Phase I RI was completed by MK-Environmental Services in 1991.

2.3 WDOE WARM Ranking

The WDOE WARM ranking for the Site is currently a 2, which indicates a medium to high priority for the agency.

2.4 Potential Impact To Human Health And The Environment

Interim remedial actions undertaken by WDOE have minimized or eliminated potential impacts to off-site receptors. On-site potential impacts include inhalation of metals-contaminated dusts, or ingestion of contaminated soil or waste.

PROPOSED REMEDIAL ACTION

3.1 Proposed Remedial Investigation

Further information on groundwater is needed at the site. Two additional shallow monitoring wells will be installed, and a groundwater sampling program will be initiated until potential impacts have been evaluated.

Shallow soil is known to be impacted beneath the existing and former waste storage areas. After dross materials have been moved or removed, the extent of contaminated soil will be determined by completion of a sampling program.

3.2 Proposed Feasibility Study

At least three remedial alternatives for the aluminum dross, baghouse dust and KBI dross will be evaluated:

- Remedial Alternative 1: Limited Action/Institutional Controls;
- Remedial Alternative 2: Off-Site Disposal or Recycling; and,
- Remedial Alternative 3: On-Site Containment.

Each alternative will be evaluated according to the effectiveness, implementability, and cost criteria.

Under the Limited Action/Institutional Controls alternative, the site would remain fenced and gated, and long-term monitoring of the waste and effected media would be conducted. Ground-water monitoring and maintenance of the existing fence could easily be implemented, although the long-term integrity and long-term maintenance requirements of the existing cap cannot be quantified with certainty.

The effectiveness of the Removal and Off-Site Disposal alternative for the aluminum dross and contaminated soil is obvious, and it is technically feasible. Routine excavation and transport methods would be used. The cost, however, could be substantial if recycling is not a feasible option.

Installation of a multi-media cap would be effective in prohibiting human exposure to contaminants of concern whether by direct contact or by airborne particulates. In addition, the amount of water infiltrating through the cap and dross material to ground water would be negligible. Therefore, this alternative is viewed as effective in satisfying remedial action objectives. Construction presents no implementation difficulties, and can be completed with standard construction equipment and methods.

3.3 Implementation of Remedial Action

Remedial actions would be implemented following the FS. The chosen remedial alternative would be implemented on the approximately 4-acre western portion of the Maraloco Site, which is the parcel controlled by Brown Dog. In addition, drummed waste on the parcel would be removed. The June 1995 Enviro report outlines a plan for inventory and removal of the on-site drums. The plan and associated cost estimate appear to be adequate and appropriate, and costs for completing such work have not changed over the last few years. The plan calls for emptying the drums and using existing characterization data for waste characterization. Drummed solids will be taken to a landfill, and drummed liquids pumped into a vacuum truck and taken to a local disposal facility. Drums would then be triple rinsed and then recycled.

3.4 Expeditious Cleanup

Interim remedial actions were completed in the early and mid-nineties at the site by WDOE. According to the WDOE Site Manager, Chuck Hinds, no current request for funding for further cleanup at the Site is pending or envisioned.

Following completion of the RI/FS activities mentioned above, cleanup by one of the FS alternatives will be initiated. The proposed use, described in Section 5.2, requires full utilization of available space at the Site as soon as possible. Schedule for completion of cleanup work is within two months of WDOE approval of the PPA.

3.5 Cleanup Standards

Sufficient flexibility exists within MTCA and WDOE to agree to reasonable cleanup standards for materials (wastes and contaminated soils) that remain at the site under engineering controls. MTCA and Federal standards will apply to groundwater at the Site boundary.

3.6 Consistency with Previous Orders

This proposal is not consistent with previous orders. No conditions of previous orders will extend to Brown Dog Investments. A new order will be required.



PROPOSED PUBLIC PARTICIPATION PLAN

Brown Dog requests that the WDOE administer a public participation plan according to MTCA as specified in standard Agreed Orders. The public will have an opportunity to review a Draft Cleanup Action Plan and provide comments to WDOE. These comments will be taken into account when preparing the Final Cleanup Action Plan. If needed, a Responsiveness Summary will be prepared to address comments received on this document.

BROWN DOG INVESTMENTS, LLC

5.1 Corporate Information

Brown Dog Investments, LLC is a real estate investment company owned by Chad T. Moore, Teresa Moore, Ladd Moore and MacKenzie L. Moore at 8246 S. 194th, Kent, Washington, 98032.

5.2 Proposed Redevelopment

The property will be cleaned up for use by Uresco Construction Material, Inc. (Uresco), a Washington Corporation formed in 1978. Uresco is a construction building material warehouse operation with facilities in the vicinity of the Maralco Site. Uresco will use the site for rail access and warehousing.

5.3 Public Benefits of Settlement

The property is in an area where available useable property is scarce. The location is desirable. Public transportation is good and the site is near a ready pool of workers/job market base. The remediation of the property will remove the property from the Brownfield property log, provide private money to fund this remediation, allow Uresco to expand and maintain it's employee base in King County (expanding the current employee base by 25 percent), and provide tax dollars in King County. Redevelopment and reuse is unlikely to contribute to or cause any contamination. King County Real Property taxes will be once again be paid in the future.