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STATE OF WASHINGTON  
DEPARTMENT OF ECOLOGY

In the Matter of Remedial Action by:

AGREED ORDER

**Hardel Mutual Plywood, Inc.**

No. DE 4108

TO: **EJ Piliaris**  
**Hardel Mutual Plywood, Inc.**  
**PO Box 540**  
**Chehalis, WA 98532**

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Washington State  
Department of Ecology

## I. INTRODUCTION

The mutual objective of the State of Washington, Department of Ecology (Ecology) and **Hardel Mutual Plywood, Inc. (Hardel)** under this Agreed Order (Order) is to provide for remedial action at a facility where there has been a release or threatened release of hazardous substances. This Order requires **Hardel to conduct a remedial investigation/feasibility study and, if necessary, interim free product removal actions.** Ecology believes the actions required by this Order are in the public interest.

## II. JURISDICTION

This Agreed Order is issued pursuant to the Model Toxics Control Act (MTCA), RCW 70.105D.050(1).

## III. PARTIES BOUND

This Agreed Order shall apply to and be binding upon the Parties to this Order, their successors and assigns. The undersigned representative of each party hereby certifies that he or she is fully authorized to enter into this Order and to execute and legally bind such party to comply with this Order. Hardel agrees to undertake all actions required by the terms and conditions of this Order. No change in ownership or corporate status shall alter Hardel's responsibility under this Order. Hardel shall provide a copy of this Order to all agents, contractors, and subcontractors retained to perform work required by this Order, and shall ensure that all work undertaken by such agents, contractors, and subcontractors complies with this Order.

## IV. DEFINITIONS

Unless otherwise specified herein, the definitions set forth in Chapter 70.105D RCW and Chapter 173-340 WAC shall control the meanings of the terms in this Order.

A. Site: The Site is referred to as **Hardel Mutual Plywood Olympia** and is generally located at **1210 West Bay Drive NW, Olympia, WA 98502-4671.** (Exhibit A) The Site is defined by the extent of contamination caused by the release of hazardous substances at the Site. Based upon factors currently known to Ecology, the Site is more particularly described

in the Map of Historic Operations and the Site Diagram; Exhibits B and C, respectively. The Site constitutes a Facility under RCW 70.105D.020(4).

B. Parties: Refers to the State of Washington, Department of Ecology (Ecology) and Hardel Mutual Plywood, Inc. (Hardel).

C. Potentially Liable Person (PLP): Refers to Hardel.

D. Agreed Order or Order: Refers to this Order and each of the exhibits to this Order. All exhibits are integral and enforceable parts of this Order. The terms "Agreed Order" or "Order" shall include all exhibits to this Order.

#### FINDINGS OF FACT

Ecology makes the following findings of fact, without any express or implied admissions of such facts by Hardel:

A. Hardel is the owner and operator of property located at 1210 West Bay Drive NW, Olympia, WA. Hardel's Olympia property is located on the western shoreline of Budd Inlet. The subject property consists of five parcels and is approximately 17.8 acres that extend from a railroad right of way along West Bay Drive eastward into inter- and sub-tidal areas of Budd Inlet. The portion of the property above mean sea level is approximately 6.7 acres. (Exhibit D) This property has been home to logging/lumber related business from as early as 1924 to 1996. Hardel occupied the property beginning in 1951 and ceased operations in 1996 due to a fire. At the present time, all buildings have been removed, but the concrete slabs, building foundation walls and on site drainage systems still exist. There is also an old abandoned pier and pilings located in Budd Inlet on the eastern portion of the Site. Currently the property is bordered to the north by a vacant property, to the south by BMT Northwest metal fabricators, to the west by a railway right of way and West Bay Drive NW, and to the east by Budd Inlet.

B. In 1981, an Ecology inspector photographed spills and leakage from the 10,000 gallon phenolic resin above ground storage tank on the Hardel property.

C. In January of 1982, Ecology performed an inspection of the facility and documented spills of phenolic resin in the area of the reserve phenolic tank located just outside the glue mixing area. Ecology noted that the tank did not have any secondary containment.

D. In February of 1986, Ecology photographed free floating non-aqueous phase liquid in the stormdrains on the Hardel property.

E. On July 8, 1986, a 100 to 300 gallon spill of phenolic resin (Cascophen PF 313 H) was documented on the Hardel property. The quick connect of a delivering tanker truck came unfastened resulting in the spill near Budd Inlet.

F. On March 23, 1989, Hardel reported the explosion and fire of a bag house. The fire spread to the top of the sawdust storage tower. Fire fighters opened the bottom of the tower and used hoses to remove the sawdust until the fire was quenched. Stormdrains, fire fighting water and sawdust ran directly into the bay. The resulting sawdust plume lingered for days in Budd Inlet.

G. On February 20, 1991, Ecology performed an inspection of the facility. There were seven stormwater drains which led to 3 outfalls on Puget Sound (Budd Inlet). The stormdrains had no catch basins and the water appeared dark in color with some visible sheen. On April 19, 1991, Ecology performed another inspection of the facility, at which time all stormwater runoff was being discharged directly to Budd Inlet without any treatment.

H. A fire consumed the plant in 1996, even destroying all company records. Fire fighting waters, ash and debris were flushed into Budd Inlet.

I. In July of 1999, a Phase I Environmental Site Assessment was published by Tetra Tech EM Inc. for Gibbs and Olsen, Inc., who was contracted with Hardel Mutual Plywood, Inc. The scope of work for the Phase I included a review of historical information and databases, interviews with site personnel who have knowledge of past hazardous materials usage at Hardel, and a review of federal, state, and local agency files concerning contamination reported within the American Society of Testing and Materials (ASTM) standard search area. The scope of work also included a site walk through to visually identify possible contamination, underground storage tanks, sumps, drains or other evidence of hazardous materials' release.

Reportedly, Sanborn Fire Insurance maps show a sawmill operating at this location as early as 1924. The mill consisted of two sawmill areas with conveyors running to a "refuse fire" area northeast of the mill approximately 860 feet northeast of the intersection of Woodard Avenue and West Bay Drive.

Hardel's 1990 spill contingency plan for the Olympia facility documents the presence of many tanks for the following purposes: caustic storage tank, formaldehyde storage tank, glue storage tank, hydraulic oil storage tank, glue mixing tank, resin mixing tank, waste oil storage tank, used oil storage tank, air compressor oil storage tank, caustic mix tank, pitch scrubber tank, pitch settling tank and many 55-gallon drums of miscellaneous petroleum products. Most of these were located on the eastern side of the plant near the caustic storage area and the maintenance and welding shops. There is one gasoline underground storage tank location that has not been accounted for. According to Ecology's databases it was installed in 1964 and closed in place, but the date of closure is not listed. Personnel interviews suggest it may be located east of the former welding shop.

According to the Phase I document, Ecology responded to an anonymous complaint at Hardel in 1985 and documented an old wood waste landfill on the waterside of the property; it was no longer being used at that time.

A surface water sample was collected from the area near the caustic storage tanks on September 6, 1996, which resulted in detections of phenol (214 micrograms/liter), benzoic acid (175 micrograms/liter) and 4-methylphenol (25 micrograms/liter). And on September 27, 1996, it was noted that when pumping water from the "hog pit" area, water began seeping into the pit from a hole in the foundation wall. This breach in the integrity of the pit indicates a potential for release of contaminated water to the subsurface at this location.

During the site inspection portion of the Phase I assessment, several items were noted which indicate possible release of a hazardous substance to the environment. There appeared to be minor surface staining noted on concrete and asphalt surfaces near the compressor room, petroleum product storage area and truck loading area. There were six stormsewer outfalls identified along the eastern portion of the property, of which only the most northern and southern

were discharging clear, odor-free water. Iron stained sediments were located in the intertidal zone at the southern end of the property, and a sheen was observed on the water draining from a seep in the iron stained area. Other areas of potential concern especially noted in the Phase I are: the maintenance and welding shop drains, the petroleum products and used oil storage area, the glue and caustic storage area, the hog line and press pits, the glue wash water tank north of the main plant and the suspected location of the gasoline underground storage tank east of the former welding shop.

J. A phase II Environmental Site Assessment was performed on the Site in June and July of 2004. A total of 34 investigative soil samples and 33 investigative water samples were collected from 33 exploratory geotechnical borings. Testing confirmed the presence of heavy oil and diesel range petroleum products in soil and groundwater, and free phase petroleum product was detected in borings on the western side of the property. Testing confirmed the presence of carcinogenic Polycyclic Aromatic Hydrocarbons (cPAH) in soils on the northern portion of the property and in groundwater on the southern portion of the property. The petroleum product range contaminants present in the subsurface soils and groundwater beneath selected portions of the property are consistent with the type of petroleum products used in the operations of the previous on-site facility and are also consistent with the products cleaned up during the post fire cleanup operation performed after the fire of 1996.

K. On January 19, 2005, Ecology issued notice to Hardel that a Site Hazard Assessment had been completed. The Site's hazard ranking is an estimation of the potential threat to human health and the environment relative to all other Washington State sites. It has been determined that Hardel's Olympia Site ranks a 5, where 1 represents the highest risk and 5 represents the lowest.

## V. ECOLOGY DETERMINATIONS

A. Hardel is an "owner or operator" as defined in RCW 70.105D.020(12) of a "facility" as defined in RCW 70.105D.020(4).

B. Based upon all factors known to Ecology, a “release” or “threatened release” of “hazardous substance(s)” as defined in RCW 70.105D.020(20) and RCW 70.105D.020(7), respectively, has occurred at the Site.

C. Based upon credible evidence, Ecology issued a PLP status letter to Hardel dated December 5, 2006, pursuant to RCW 70.105D.040, -.020(16) and WAC 173-340-500. After providing for notice and opportunity for comment, reviewing any comments submitted, and concluding that credible evidence supported a finding of potential liability, Ecology issued a determination that Hardel is a PLP under RCW 70.105D.040 and notified Hardel of this determination by letter dated January 18, 2007.

D. Pursuant to RCW 70.105D.030(1) and -.050(1), Ecology may require PLPs to investigate or conduct other remedial actions with respect to any release or threatened release of hazardous substances, whenever it believes such action to be in the public interest. Based on the foregoing facts, Ecology believes the remedial actions required by this Order are in the public interest.

E. Under WAC 173-340-430, an interim action is a remedial action that is technically necessary to reduce a threat to human health or the environment by eliminating or substantially reducing one or more pathways for exposure to a hazardous substance, that corrects a problem that may become substantially worse or cost substantially more to address if the remedial action is delayed, or that is needed to provide for completion of a site hazard assessment, remedial investigation/feasibility study or design of a cleanup action. The presence of free product documented on site in 2001 may warrant an interim action consistent with WAC 173-340-430.

## **VI. WORK TO BE PERFORMED**

Based on the Findings of Fact and Ecology Determinations, it is hereby ordered that Hardel take the following remedial actions at the Site and that these actions be conducted in accordance with Chapter 173-340 WAC unless otherwise specifically provided for herein:



A. Historic chemical detection indicates a release of hazardous substances at the Site and further investigation and characterization is warranted.

The Remedial Investigation/Feasibility Study and interim product removal actions required by this Order are outlined in Exhibit E and build upon previous remedial work conducted by Hardel and described in Section IV of this Agreed Order. Exhibit E is incorporated here by reference and Exhibit E and all "final" Ecology approved deliverables within Exhibit E are integral and enforceable parts of this Order.

B. If, at any time after the first exchange of comments on drafts, Ecology determines that insufficient progress is being made in the preparation of any of the deliverables required by this Section, Ecology may complete and issue the final deliverable.

## VII. TERMS AND CONDITIONS OF ORDER

### A. Public Notice

RCW 70.105D.030(2)(a) requires that, at a minimum, this Order be subject to concurrent public notice. Ecology shall be responsible for providing such public notice and reserves the right to modify or withdraw any provisions of this Order should public comment disclose facts or considerations which indicate to Ecology that this Order is inadequate or improper in any respect.

### B. Remedial Action Costs

Hardel shall pay to Ecology costs incurred by Ecology pursuant to this Order and consistent with WAC 173-340-550(2). These costs shall include work performed by Ecology or its contractors for, or on, the Site under Chapter 70.105D RCW, including remedial actions and Order preparation, negotiation, oversight, and administration. These costs shall include work performed both prior to and subsequent to the issuance of this Order. Ecology's costs shall include costs of direct activities and support costs of direct activities as defined in WAC 173-340-550(2). Hardel shall pay the required amount within ninety (90) days of receiving from Ecology an itemized statement of costs that includes a summary of costs incurred, an

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identification of involved staff, and the amount of time spent by involved staff members on the project. A general statement of work performed will be provided upon request. Itemized statements shall be prepared quarterly. Pursuant to WAC 173-340-550(4), failure to pay Ecology's costs within ninety (90) days of receipt of the itemized statement of costs will result in interest charges at the rate of twelve percent (12%) per annum, compounded monthly.

Pursuant to RCW 70.105D.055, Ecology has authority to recover unreimbursed remedial action costs by filing a lien against real property subject to the remedial actions.

**C. Implementation of Remedial Action**

If Ecology determines that Hardel has failed without good cause to implement the remedial action, in whole or in part, Ecology may, after notice to Hardel, perform any or all portions of the remedial action that remain incomplete. If Ecology performs all or portions of the remedial action because of Hardel's failure to comply with its obligations under this Order, Hardel shall reimburse Ecology for the costs of doing such work in accordance with Section VIII.\_\_\_\_ (Remedial Action Costs), provided that Hardel is not obligated under this Section to reimburse Ecology for costs incurred for work inconsistent with or beyond the scope of this Order.

Except where necessary to abate an emergency situation, Hardel shall not perform any remedial actions at the Site outside those remedial actions required by this Order, unless Ecology concurs, in writing, with such additional remedial actions.

**D. Designated Project Coordinators**

The project coordinator for Ecology is:

**Lisa Pearson, P.E.**  
**Department of Ecology**  
**Toxics Cleanup Program/SWRO**  
**PO Box 47775**  
**Olympia, WA 98504-7775**  
**(360) 407-6261**

The project coordinator for Hardel is:

**David Wild**  
**Hardel Mutual Plywood Corporation**  
**Environmental Health and Safety Manager**  
**PO Box 540**

**Chehalis, WA 98532**

Each project coordinator shall be responsible for overseeing the implementation of this Order. Ecology's project coordinator will be Ecology's designated representative for the Site. To the maximum extent possible, communications between Ecology and Hardel, and all documents, including reports, approvals, and other correspondence concerning the activities performed pursuant to the terms and conditions of this Order shall be directed through the project coordinators. The project coordinators may designate, in writing, working level staff contacts for all or portions of the implementation of the work to be performed required by this Decree.

Any party may change its respective project coordinator. Written notification shall be given to the other party at least ten (10) calendar days prior to the change.

**E. Performance**

All geologic and hydrogeologic work performed pursuant to this Order shall be under the supervision and direction of a geologist licensed in the State of Washington or under the direct supervision of an engineer registered in the State of Washington, except as otherwise provided for by Chapters 18.220 and 18.43 RCW.

All engineering work performed pursuant to this Order shall be under the direct supervision of a professional engineer registered in the State of Washington, except as otherwise provided for by RCW 18.43.130.

All construction work performed pursuant to this Order shall be under the direct supervision of a professional engineer or a qualified technician under the direct supervision of a professional engineer. The professional engineer must be registered in the State of Washington, except as otherwise provided for by RCW 18.43.130.

Any documents submitted containing geologic, hydrologic or engineering work shall be under the seal of an appropriately licensed professional as required by Chapter 18.220 RCW or RCW 18.43.130.

Hardel shall notify Ecology in writing of the identity of any engineer(s) and geologist(s), contractor(s) and subcontractor(s), and others to be used in carrying out the terms of this Order, in advance of their involvement at the Site.

**F. Access**

Ecology or any Ecology authorized representative shall have the full authority to enter and freely move about all property at the Site that Hardel either owns, controls, or has access rights to at all reasonable times for the purposes of, *inter alia*: inspecting records, operation logs, and contracts related to the work being performed pursuant to this Order; reviewing Hardel's progress in carrying out the terms of this Order; conducting such tests or collecting such samples as Ecology may deem necessary; using a camera, sound recording, or other documentary type equipment to record work done pursuant to this Order; and verifying the data submitted to Ecology by Hardel. Hardel shall make all reasonable efforts to secure access rights for those properties within the Site not owned or controlled by Hardel where remedial activities or investigations will be performed pursuant to this Order. Ecology or any Ecology authorized representative shall give reasonable notice before entering any Site property owned or controlled by Hardel unless an emergency prevents such notice. All persons who access the Site pursuant to this Section shall comply with any applicable Health and Safety Plan(s). Ecology employees and their representatives shall not be required to sign any liability release or waiver as a condition of Site property access.

**G. Sampling, Data Submittal, and Availability**

With respect to the implementation of this Order, Hardel shall make the results of all sampling, laboratory reports, and/or test results generated by it or on its behalf available to Ecology. Pursuant to WAC 173-340-840(5), all sampling data shall be submitted to Ecology in both printed and electronic formats in accordance with Section \_\_\_\_ (Work to be Performed), Ecology's Toxics Cleanup Program Policy 840 (Data Submittal Requirements), and/or any subsequent procedures specified by Ecology for data submittal.

If requested by Ecology, Hardel shall allow Ecology and/or its authorized representative to take split or duplicate samples of any samples collected by Hardel pursuant to implementation of this Order. Hardel shall notify Ecology seven (7) days in advance of any sample collection or work activity at the Site. Ecology shall, upon request, allow Hardel and/or its authorized representative to take split or duplicate samples of any samples collected by Ecology pursuant to

the implementation of this Order, provided that doing so does not interfere with Ecology's sampling. Without limitation on Ecology's rights under Section VIII.\_\_\_\_ (Access), Ecology shall notify Hardel prior to any sample collection activity unless an emergency prevents such notice.

In accordance with WAC 173-340-830(2)(a), all hazardous substance analyses shall be conducted by a laboratory accredited under Chapter 173-50 WAC for the specific analyses to be conducted, unless otherwise approved by Ecology.

#### **H. Public Participation**

A Public Participation Plan is required for this Site. Ecology shall review any existing Public Participation Plan to determine its continued appropriateness and whether it requires amendment, or if no plan exists, Ecology shall develop a Public Participation Plan alone or in conjunction with Hardel.

Ecology shall maintain the responsibility for public participation at the Site. However, Hardel shall cooperate with Ecology, and shall:

1. If agreed to by Ecology, develop appropriate mailing list, prepare drafts of public notices and fact sheets at important stages of the remedial action, such as the submission of work plans, remedial investigation/feasibility study reports, cleanup action plans, and engineering design reports. As appropriate, Ecology will edit, finalize, and distribute such fact sheets and prepare and distribute public notices of Ecology's presentations and meetings.

2. Notify Ecology's project coordinator prior to the preparation of all press releases and fact sheets, and before major meetings with the interested public and local governments. Likewise, Ecology shall notify Hardel prior to the issuance of all press releases and fact sheets, and before major meetings with the interested public and local governments. For all press releases, fact sheets, meetings, and other outreach efforts by Hardel that do not receive prior Ecology approval, Hardel shall clearly indicate to its audience that the press release, fact sheet, meeting, or other outreach effort was not sponsored or endorsed by Ecology.

3. When requested by Ecology, participate in public presentations on the progress of the remedial action at the Site. Participation may be through attendance at public meetings to assist in answering questions or as a presenter.

4. When requested by Ecology, arrange and/or continue information repositories to be located at the following locations:

- a. **Olympia Timberland Library**  
313 8<sup>th</sup> Avenue SE  
Olympia, WA 98501
- b. **Ecology's Southwest Regional Office**  
300 Desmond Drive  
Lacey, WA 98503

At a minimum, copies of all public notices, fact sheets, and press releases; all quality assured monitoring data; remedial action plans and reports, supplemental remedial planning documents, and all other similar documents relating to performance of the remedial action required by this Order shall be promptly placed in these repositories.

**I. Retention of Records**

During the pendency of this Order, and for ten (10) years from the date of completion of work performed pursuant to this Order, Hardel shall preserve all records, reports, documents, and underlying data in its possession relevant to the implementation of this Order and shall insert a similar record retention requirement into all contracts with project contractors and subcontractors. Upon request of Ecology, Hardel shall make all records available to Ecology and allow access for review within a reasonable time.

**J. Resolution of Disputes**

1. In the event a dispute arises as to an approval, disapproval, proposed change, or other decision or action by Ecology's project coordinator, or an itemized billing statement under Section VIII.\_\_\_\_ (Remedial Action Costs), the Parties shall utilize the dispute resolution procedure set forth below.

- a. Upon receipt of Ecology's project coordinator's written decision or the itemized billing statement, Hardel has fourteen (14) days within which to notify

Ecology's project coordinator in writing of its objection to the decision or itemized statement.

b. The Parties' project coordinators shall then confer in an effort to resolve the dispute. If the project coordinators cannot resolve the dispute within fourteen (14) days, Ecology's project coordinator shall issue a written decision.

c. Hardel may then request regional management review of the decision. This request shall be submitted in writing to the Southwest Region Toxics Cleanup Section Manager within seven (7) days of receipt of Ecology's project coordinator's written decision.

d. The Section Manager shall conduct a review of the dispute and shall endeavor to issue a written decision regarding the dispute within thirty (30) days of Hardel's request for review. The Section Manager's decision shall be Ecology's final decision on the disputed matter.

2. The Parties agree to only utilize the dispute resolution process in good faith and agree to expedite, to the extent possible, the dispute resolution process whenever it is used.

3. Implementation of these dispute resolution procedures shall not provide a basis for delay of any activities required in this Order, unless Ecology agrees in writing to a schedule extension.

**K. Extension of Schedule**

1. An extension of schedule shall be granted only when a request for an extension is submitted in a timely fashion, generally at least thirty (30) days prior to expiration of the deadline for which the extension is requested, and good cause exists for granting the extension.

All extensions shall be requested in writing. The request shall specify:

- a. The deadline that is sought to be extended;
- b. The length of the extension sought;
- c. The reason(s) for the extension; and
- d. Any related deadline or schedule that would be affected if the extension

were granted.

2. The burden shall be on Hardel to demonstrate to the satisfaction of Ecology that the request for such extension has been submitted in a timely fashion and that good cause exists for granting the extension. Good cause may include, but may not be limited to:

a. Circumstances beyond the reasonable control and despite the due diligence of Hardel including delays caused by unrelated third parties or Ecology, such as (but not limited to) delays by Ecology in reviewing, approving, or modifying documents submitted by Hardel;

b. Acts of God, including fire, flood, blizzard, extreme temperatures, storm, or other unavoidable casualty; or

c. Endangerment as described in Section VIII. \_\_\_ (Endangerment).

However, neither increased costs of performance of the terms of this Order nor changed economic circumstances shall be considered circumstances beyond the reasonable control of Hardel.

3. Ecology shall act upon any written request for extension in a timely fashion. Ecology shall give Hardel written notification of any extensions granted pursuant to this Order. A requested extension shall not be effective until approved by Ecology. Unless the extension is a substantial change, it shall not be necessary to amend this Order pursuant to Section VIII. \_\_\_ (Amendment of Order) when a schedule extension is granted.

4. An extension shall only be granted for such period of time as Ecology determines is reasonable under the circumstances. Ecology may grant schedule extensions exceeding ninety (90) days only as a result of:

a. Delays in the issuance of a necessary permit which was applied for in a timely manner;

b. Other circumstances deemed exceptional or extraordinary by Ecology; or

c. Endangerment as described in Section VIII. \_\_\_ (Endangerment).



**L. Amendment of Order**

The project coordinators may verbally agree to minor changes to the work to be performed without formally amending this Order. Minor changes will be documented in writing by Ecology within seven (7) days of verbal agreement.

Except as provided in Section VIII.\_\_\_\_ (Reservation of Rights), substantial changes to the work to be performed shall require formal amendment of this Order. This Order may only be formally amended by the written consent of both Ecology and Hardel. Hardel shall submit a written request for amendment to Ecology for approval. Ecology shall indicate its approval or disapproval in writing and in a timely manner after the written request for amendment is received. If the amendment to this Order represents a substantial change, Ecology will provide public notice and opportunity to comment. Reasons for the disapproval of a proposed amendment to this Order shall be stated in writing. If Ecology does not agree to a proposed amendment, the disagreement may be addressed through the dispute resolution procedures described in Section VIII.\_\_\_\_ (Resolution of Disputes).

**M. Endangerment**

In the event Ecology determines that any activity being performed at the Site is creating or has the potential to create a danger to human health or the environment on or surrounding the Site, Ecology may direct Hardel to cease such activities for such period of time as it deems necessary to abate the danger. Hardel shall immediately comply with such direction.

In the event Hardel determines that any activity being performed at the Site is creating or has the potential to create a danger to human health or the environment, Hardel may cease such activities. Hardel shall notify Ecology's project coordinator as soon as possible, but no later than twenty-four (24) hours after making such determination or ceasing such activities. Upon Ecology's direction Hardel shall provide Ecology with documentation of the basis for the determination or cessation of such activities. If Ecology disagrees with Hardel's cessation of activities, it may direct Hardel to resume such activities.

If Ecology concurs with or orders a work stoppage pursuant to Section VIII.\_\_\_\_ (Endangerment), Hardel's obligations with respect to the ceased activities shall be suspended

until Ecology determines the danger is abated, and the time for performance of such activities, as well as the time for any other work dependent upon such activities, shall be extended in accordance with Section VIII.\_\_\_\_ (Extension of Schedule) for such period of time as Ecology determines is reasonable under the circumstances.

Nothing in this Order shall limit the authority of Ecology, its employees, agents, or contractors to take or require appropriate action in the event of an emergency.

**N. Reservation of Rights**

This Order is not a settlement under Chapter 70.105D RCW. Ecology's signature on this Order in no way constitutes a covenant not to sue or a compromise of any of Ecology's rights or authority. Ecology will not, however, bring an action against Hardel to recover remedial action costs paid to and received by Ecology under this Order. In addition, Ecology will not take additional enforcement actions against Hardel regarding remedial actions required by this Order, provided Hardel complies with this Order.

Ecology nevertheless reserves its rights under Chapter 70.105D RCW, including the right to require additional or different remedial actions at the Site should it deem such actions necessary to protect human health and the environment, and to issue orders requiring such remedial actions. Ecology also reserves all rights regarding the injury to, destruction of, or loss of natural resources resulting from the release or threatened release of hazardous substances at the Site.

**O. Transfer of Interest in Property**

No voluntary conveyance or relinquishment of title, easement, leasehold, or other interest in any portion of the Site shall be consummated by Hardel without provision for continued implementation of all requirements of this Order and implementation of any remedial actions found to be necessary as a result of this Order.

Prior to Hardel's transfer of any interest in all or any portion of the Site, and during the effective period of this Order, Hardel shall provide a copy of this Order to any prospective purchaser, lessee, transferee, assignee, or other successor in said interest; and, at least thirty (30) days prior to any transfer, Hardel shall notify Ecology of said transfer. Upon transfer of any

interest, Hardel shall restrict uses and activities to those consistent with this Order and notify all transferees of the restrictions on the use of the property.

**P. Compliance with Applicable Laws**

1. All actions carried out by Hardel pursuant to this Order shall be done in accordance with all applicable federal, state, and local requirements, including requirements to obtain necessary permits, except as provided in RCW 70.105D.090. At this time, no federal, state or local requirements have been identified as being applicable to the actions required by this Order.

2. Pursuant to RCW 70.105D.090(1), Hardel is exempt from the procedural requirements of Chapters 70.94, 70.95, 70.105, 77.55, 90.48, and 90.58 RCW and of any laws requiring or authorizing local government permits or approvals. However, Hardel shall comply with the substantive requirements of such permits or approvals. At this time, no state or local permits or approvals have been identified as being applicable but procedurally exempt under this Section.

Hardel has a continuing obligation to determine whether additional permits or approvals addressed in RCW 70.105D.090(1) would otherwise be required for the remedial action under this Order. In the event either Ecology or Hardel determines that additional permits or approvals addressed in RCW 70.105D.090(1) would otherwise be required for the remedial action under this Order, it shall promptly notify the other party of its determination. Ecology shall determine whether Ecology or Hardel shall be responsible to contact the appropriate state and/or local agencies. If Ecology so requires, Hardel shall promptly consult with the appropriate state and/or local agencies and provide Ecology with written documentation from those agencies of the substantive requirements those agencies believe are applicable to the remedial action. Ecology shall make the final determination on the additional substantive requirements that must be met by Hardel and on how Hardel must meet those requirements. Ecology shall inform Hardel in writing of these requirements. Once established by Ecology, the additional requirements shall be enforceable requirements of this Order. Hardel shall not begin or continue the remedial action potentially subject to the additional requirements until Ecology makes its final determination.

3. Pursuant to RCW 70.105D.090(2), in the event Ecology determines that the exemption from complying with the procedural requirements of the laws referenced in RCW 70.105D.090(1) would result in the loss of approval from a federal agency that is necessary for the State to administer any federal law, the exemption shall not apply and Hardel shall comply with both the procedural and substantive requirements of the laws referenced in RCW 70.105D.090(1), including any requirements to obtain permits.

**Q. Indemnification**

Hardel agrees to indemnify and save and hold the State of Washington, its employees, and agents harmless from any and all claims or causes of action for death or injuries to persons or for loss or damage to property to the extent arising from or on account of acts or omissions of Hardel, its officers, employees, agents, or contractors in entering into and implementing this Order. However, Hardel shall not indemnify the State of Washington nor save nor hold its employees and agents harmless from any claims or causes of action to the extent arising out of the negligent acts or omissions of the State of Washington, or the employees or agents of the State, in entering into or implementing this Order.

**VIII. SATISFACTION OF ORDER**

The provisions of this Order shall be deemed satisfied upon Hardel's receipt of written notification from Ecology that Hardel has completed the remedial activity required by this Order, as amended by any modifications, and that Hardel has complied with all other provisions of this Agreed Order.

**IX. ENFORCEMENT**

Pursuant to RCW 70.105D.050, this Order may be enforced as follows:

A. The Attorney General may bring an action to enforce this Order in a state or federal court.

B. The Attorney General may seek, by filing an action, if necessary, to recover amounts spent by Ecology for investigative and remedial actions and orders related to the Site.

C. In the event Hardel refuses, without sufficient cause, to comply with any term of this Order, Hardel will be liable for:

a. Up to three (3) times the amount of any costs incurred by the State of Washington as a result of its refusal to comply; and

b. Civil penalties of up to twenty-five thousand dollars (\$25,000) per day for each day it refuses to comply.

D. This Order is not appealable to the Washington Pollution Control Hearings Board.

This Order may be reviewed only as provided under RCW 70.105D.060.

Effective date of this Order: April 30, 2007

**Hardel Mutual Plywood, Inc.**

*E.J. Piliaris*

**E.J. Piliaris**  
General Manager  
Hardel Mutual Plywood, Inc.  
(360) 740-0232

**STATE OF WASHINGTON,  
DEPARTMENT OF ECOLOGY**

*Rebecca S. Lawson*

**Rebecca S. Lawson, P.E.**  
Section Manager  
Toxics Cleanup Program  
Southwest Regional Office  
Telephone: (360) 407-6241

# EXHIBIT A-- LOCAL MAP



© 2001 DeLorme, Street Atlas USA; © 2001 GDI, Inc., Reprinted 2001

Mag 14.00  
 Tue Apr 17 10:05 2007  
 Scale 1:31,250 (at center)  
 2000 Feet  
 1000 Meters

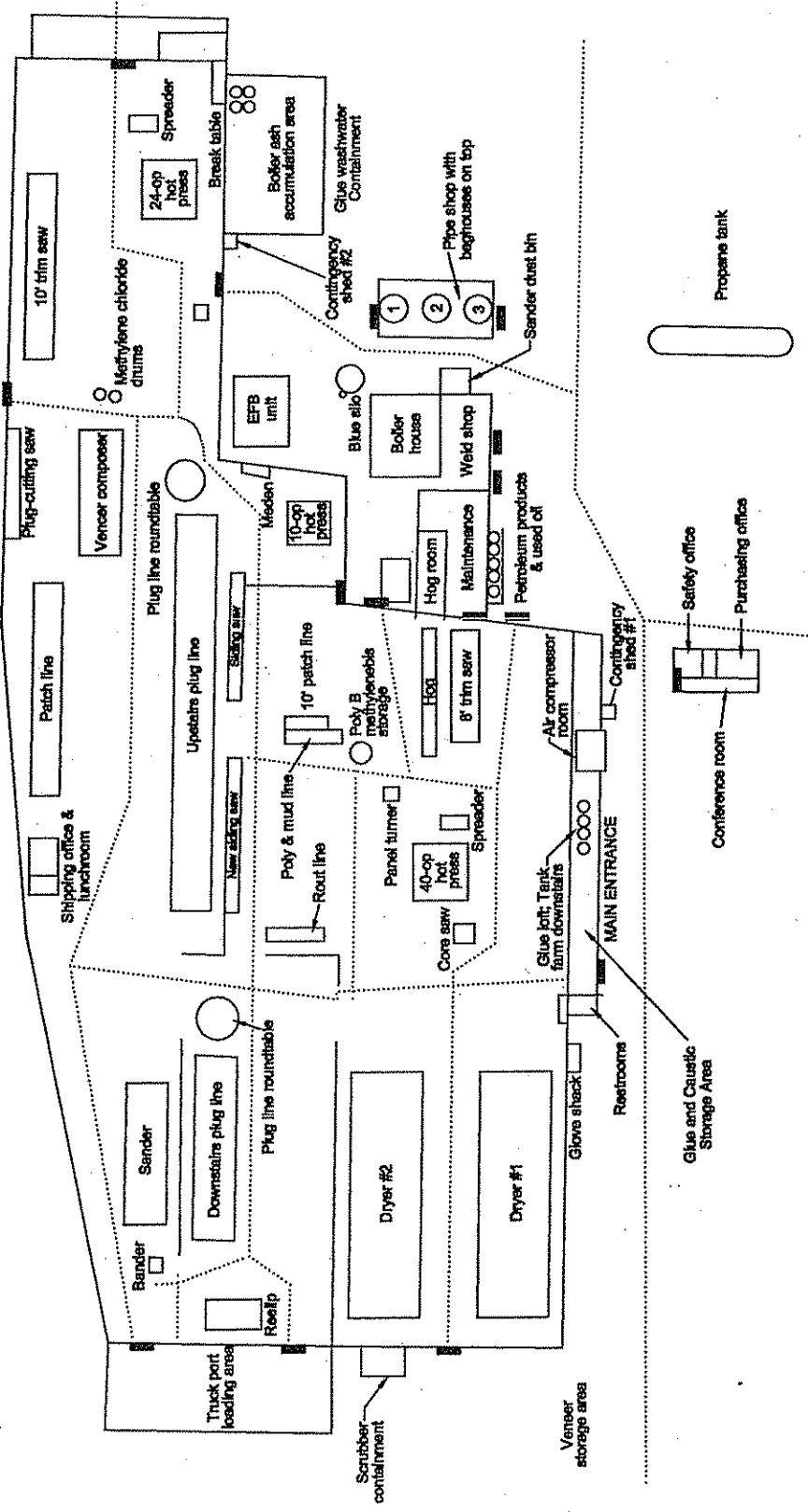
-  Local Road
-  Major Connector
-  Interstate/Limited Access
-  Exit
-  Railroad
-  Point of Interest
-  State Capital
-  Geographic Feature
-  Park/Reservation
-  Exit/Gas
-  Exit/Lodging
-  Exit/Food
-  Exit/Other Services
-  Railroad Abandoned
-  Population Center
-  Water
-  River/Canal
-  City Park

# EXHIBIT B - MAP OF HISTORIC OPERATIONS



Administrative Office

West Bay Drive

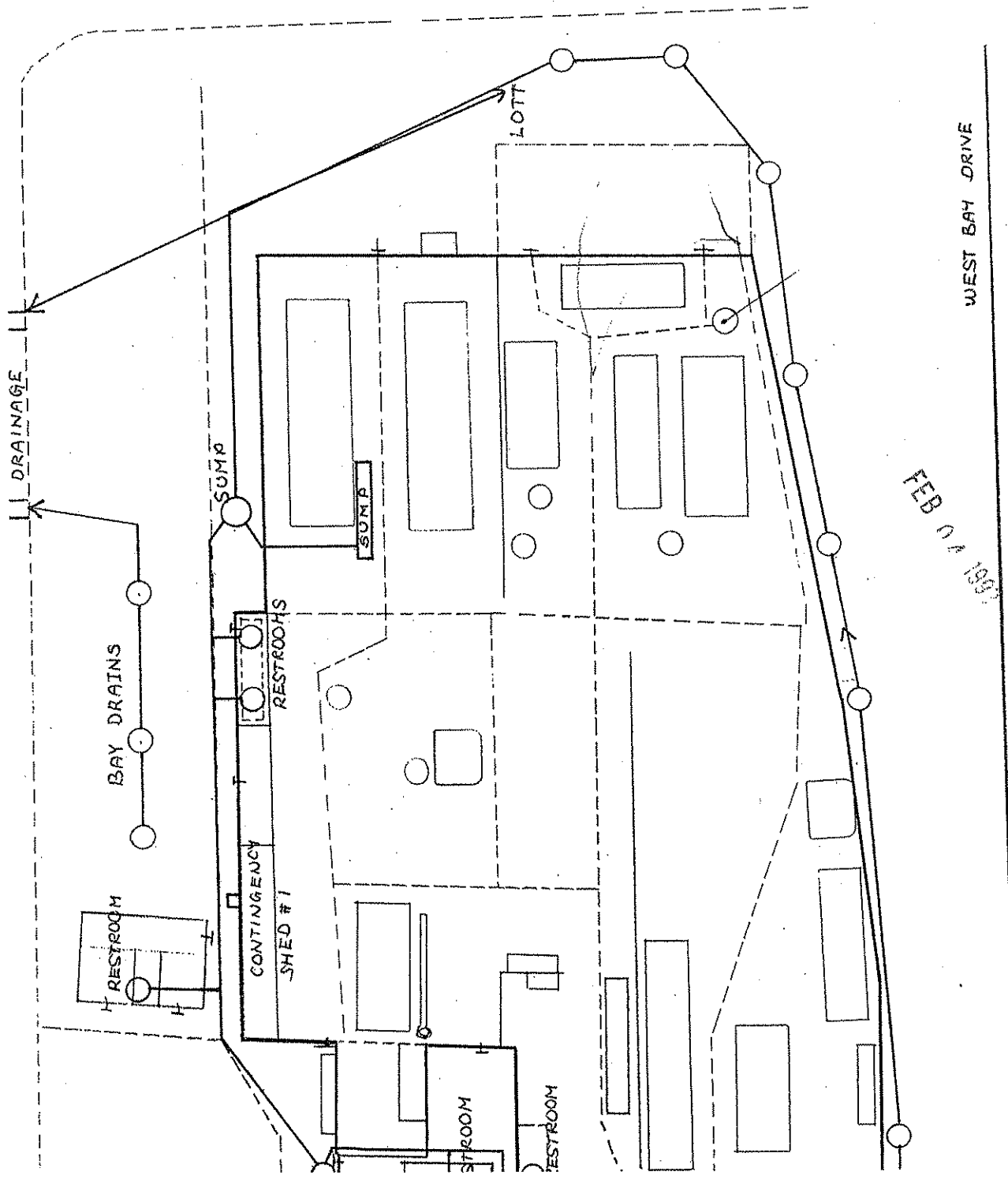


OPERATIONAL LAYOUT, 1990's  
 HARDEL MUTUAL PLYWOOD WATERFRONT PROPERTY  
 OLYMPIA, WASHINGTON  
 TETRA TECH EM INC.

APPROXIMATE SCALE IN FEET  
 1"=60'

**LEGEND**  
 DOORS AND EXITS  
 WALKWAYS AND AISLEWAYS

Source: Modified from Boetling & Associates (1998)



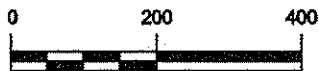
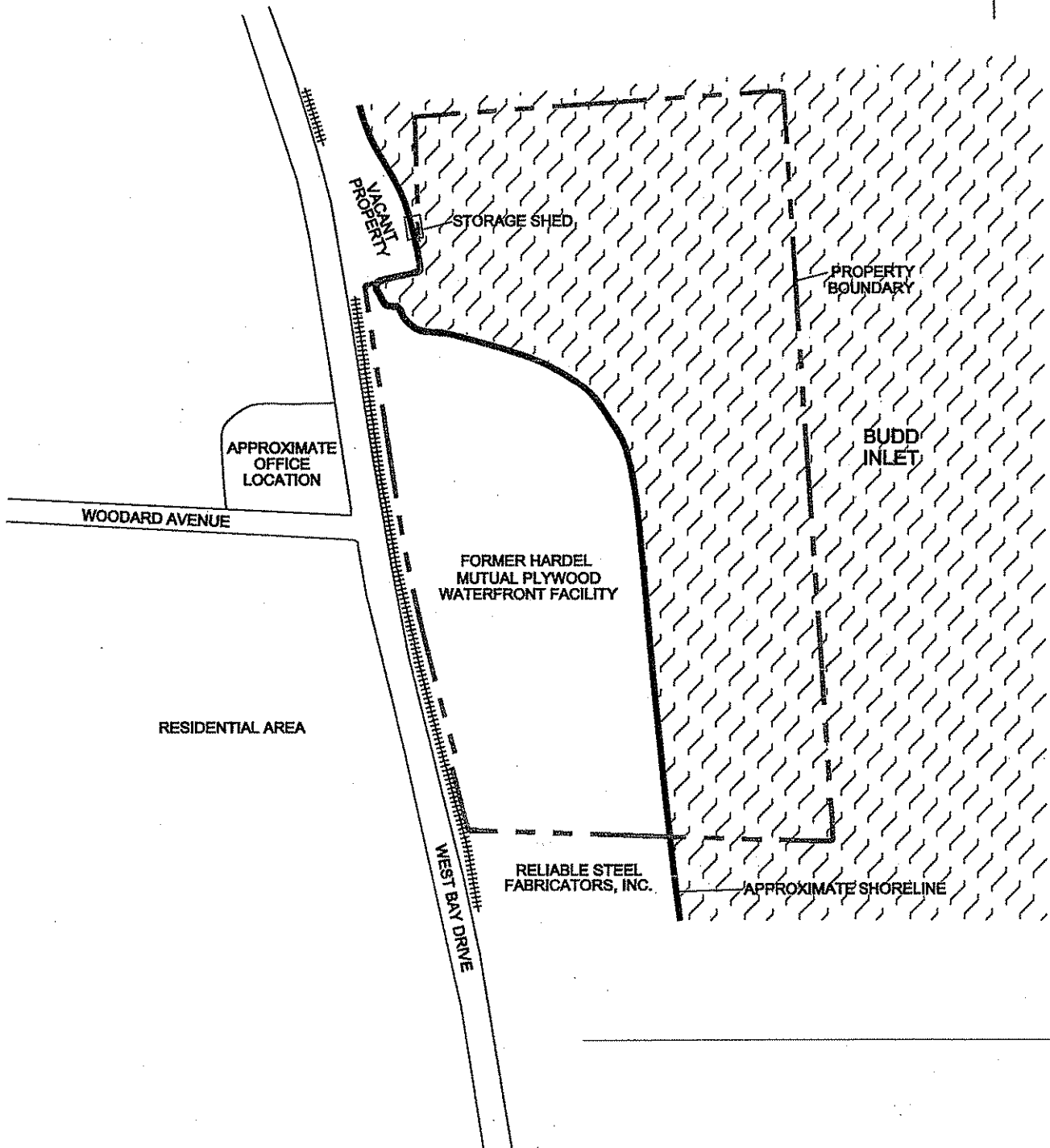
WEST BAY DRIVE

FEB 07 1967

**EXHIBIT C**  
**HARPEL MUTUAL PLYWOOD**  
**DIAGRAM OF DRAIN/SUMP SYSTEM PLAN**



# EXHIBIT D - MAP SHOWING PROPERTY BOUNDARIES



SCALE IN FEET

**Hardel Mutual Plywood, Inc.**  
**AGREED ORDER NO. 4108**

Modified from Gibbs & Olson (1999a)

**FIGURE 2**

PROPERTY BOUNDARIES  
HARDEL MUTUAL PLYWOOD WATERFRONT PROPERTY  
OLYMPIA, WASHINGTON

 TETRA TECH EM INC.

# EXHIBIT E – SCOPE OF WORK

## 1. **Data Submittal Period**

A detailed file review and reconciliation of Hardel's and the Department of Ecology's (Ecology) files will occur and Hardel will submit to the Department (Ecology) any environmental data collected to date that is not already on file at the Southwest Regional Office. Ecology and Hardel will identify any data gaps not addressed in previous environmental studies for inclusion in the Remedial Investigation (RI) work plan.

Schedule: Within 4 weeks of the effective date of the Agreed Order.

## 2. **Draft Remedial Investigation Work Plan**

A draft Remedial Investigation (RI) Work Plan will be submitted by Hardel and will address such data gaps identified by Ecology, as necessary, to better characterize the extent, distribution and sources of hazardous substances detected at the Site. The RI work plan will call out specifically the data needed to evaluate the need for and install an interim free product removal system. The RI work plan will also include a schedule for implementing the associated work. The RI work plan will also include provisions for QA/QC, a sampling and analysis plan and a health and safety plan per **WAC 173-340-350(7)(c)(iv)**. Ecology will provide comments to Hardel on the draft Remedial Investigation Work Plan within 3 weeks of submittal.

Schedule: Within 6 weeks of the effective date of the Agreed Order.

## 3. **Final Remedial Investigation Work Plan**

Hardel shall submit a final RI Work Plan, for Ecology's approval, addressing Ecology's comments on the draft work plan.

Ecology recognizes that more than one phase of the RI may be necessary based on data collected. If additional characterization is needed, Hardel will present work plans for additional investigation to Ecology in draft form. A final work plan will subsequently be submitted with revisions according to Ecology's comments on the draft plan.

Schedule: Within 3 weeks of receipt of Ecology's comments on the Draft Remedial Investigation Work Plan.

**4 Work Plan for Interim Free Product Recovery System**

A draft interim remedial action work plan will be submitted by Hardel proposing the installation of a free product recovery system as negotiated with Ecology and based on data evaluated during work items 1-3.

A final interim action work plan will be submitted for Ecology's approval, addressing Ecology's comments on the draft plan.

Schedule: Timing of the draft plan, Ecology's return comments and the final submittal will be negotiated as appropriate at the time the work is to be completed.

**5 Implement the Approved Remedial Investigation**

Hardel will implement the RI according to the approved Final RI Work Plan.

Schedule: As defined in the Final RI Work Plan

**6 Draft Remedial Investigation Report**

Hardel will submit a draft RI Report documenting the implementation and results of the RI for Ecology's review and comment. Ecology will return comments to Hardel on the draft report within 3 weeks of receiving it.

Schedule: As defined in the Final RI Work Plan.

**7 Final Remedial Investigation Report**

Hardel will submit a final RI report, for Ecology's approval, addressing Ecology's comments on the draft report within 3 weeks of receiving Ecology's comments.

Schedule: Within 3 weeks of the receipt of Ecology's comments on the Draft Remedial Investigation Report.

**8 Draft Feasibility Study Report**

Using data collected in previous environmental studies as well as the RI, Hardel will perform a Feasibility Study to develop and evaluate cleanup action alternatives. The draft Feasibility Study Report will be developed according to standards in WAC 173-340-350, and will be submitted to Ecology for comment and approval. Ecology will return comments on the draft Feasibility Study Report within 4 weeks of receiving it.

The cleanup remedies evaluated shall protect human health and the environment, including terrestrial and aquatic receptors identified in the RI. Cleanup remedies shall eliminate, reduce, or otherwise control risks posed through each exposure

pathway and migration route. Residual threats that accompany each alternative shall be evaluated to determine if remedies protective of human health are also protective of ecological receptors. The feasibility study shall include at least one permanent cleanup alternative to serve as a baseline against which other alternatives shall be evaluated.

Schedule: Within 6 weeks of the receipt of Ecology's comments on the Final Remedial Investigation Report.

**9 Final Feasibility Study Report**

Hardel will submit a final Feasibility Study report, for Ecology's approval, addressing Ecology's comments on the draft report.

Schedule: Within 4 weeks of receiving Ecology's comments on the Draft Feasibility Report.

# EXHIBIT F- SUBSTANTIVE PERMIT REQUIREMENTS

At this time, no state or local permits or approvals have been identified as being applicable but procedurally exempt under this Section.

Hardel has a continuing obligation to determine whether additional permits or approvals addressed in RCW 70.105D.090(1) would otherwise be required for the remedial action under this Order. In the event either Ecology or Hardel determines that additional permits or approvals addressed in RCW 70.105D.090(1) would otherwise be required for the remedial action under this Order, it shall promptly notify the other party of its determination. Ecology shall determine whether Ecology or Hardel shall be responsible to contact the appropriate state and/or local agencies. If Ecology so requires, Hardel shall promptly consult with the appropriate state and/or local agencies and provide Ecology with written documentation from those agencies of the substantive requirements those agencies believe are applicable to the remedial action. Ecology shall make the final determination on the additional substantive requirements that must be met by Hardel and on how Hardel must meet those requirements. Ecology shall inform Hardel in writing of these requirements. Once established by Ecology, the additional requirements shall be enforceable requirements of this Order. Hardel shall not begin or continue the remedial action potentially subject to the additional requirements until Ecology makes its final determination.

