

**STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY**

In the Matter of Remedial Action by:

Port of Tacoma

AGREED ORDER

No. DE 8400

TO: **Port of Tacoma**
c/o Jason Jordan, Director of Environmental Programs
PO Box 1837
Tacoma, WA 98401-1837

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I. INTRODUCTION

The mutual objective of the State of Washington, Department of Ecology (Ecology) and Port of Tacoma 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 the Port of Tacoma to perform a remedial investigation and feasibility study, and a draft cleanup action plan in a manner that complies with all requirements of the Model Control Act Cleanup Regulation, Chapter 173-340 WAC. The Order also allows for interim actions as needed consistent with WAC 173-340-430. 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. Port of Tacoma agrees to undertake all actions required by the terms and conditions of this Order. No change in ownership or corporate status shall alter Port of Tacoma's responsibility under this Order. Port of Tacoma 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 Parcel 88 (Facility Site # 34114562) and is generally located at Pierce County Tax Parcel 0421313048, at the street address of 1621 Marine

View Drive, Port of Tacoma, Tacoma, WA 98422. 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 Site Diagram (Exhibit A). The Site constitutes a Facility under RCW 70.105D.020(5).

B. Parties: Refers to the State of Washington, Department of Ecology and Port of Tacoma.

C. Potentially Liable Person (PLP): Refers to Port of Tacoma.

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.

V. FINDINGS OF FACT

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

A. The Port of Tacoma is the current property owner of Tax Parcel 0421313048 in Pierce County, Washington. This parcel, together with other locations where contamination from this parcel has come to be located, comprise the Site.

B. Prior to the 1950s, the Site was essentially undeveloped land, comprised of approximately 9 acres of lowlands adjacent to Hylebos Creek, a tributary to Commencement Bay, and approximately 18 acres of steep-sloped hillsides leading to high bluffs. From the 1950s through 2006, the Site was used as a sand and gravel mine and an inert solid waste recycling facility. In addition, during that time, a significant volume of material (soil, concrete, asphalt, and metal wastes) was placed as fill at the site. In the lower portion of the Site, the fill raised the surface elevation approximately 10-15 feet.

C. The Port of Tacoma purchased the parcel in 2006 from Marine View Inc. and Marine View North, LLC. Between the time of the Port of Tacoma’s purchase in 2006 and 2010, the Site was used only occasionally, as a temporary equipment staging site. In 2010, the

Port of Tacoma stabilized several post-mining steep slopes and developed the lower portion of the Site as intertidal and uplands wildlife habitat.

D. Pre-purchase environmental investigations completed for the Port of Tacoma in 2005 identified contamination of soil at the Site, and the presence of debris on the surface. Elevated levels of arsenic, petroleum hydrocarbons in the diesel and oil ranges, and polycyclic aromatic hydrocarbons were documented in Site soil. As part of the 2006 purchase agreement, and prior to sale closure, certain cleanup actions were completed by the seller; these included removing an estimated 4,000 tons of waste wood, glass, and window frames, an estimated 30,000 cubic yards of debris (primarily concrete and asphalt), and excavation and on-site treatment using enhanced biodegradation of approximately 25 cubic yards of petroleum-contaminated near-surface soil.

E. In 2006, Ecology started an Initial Investigation of the Site under MTCA and issued an Early Notice Letter to the Port in August 2007. A Site Hazard Assessment was completed for Ecology by the Tacoma-Pierce County Health Department in July 2008; the resulting site ranking was 3.

F. In 2009 the Port contracted additional environmental investigations of soil and groundwater in the lower portion of the Site. Those investigations confirmed the 2005 investigation results of contamination in soil and identified a significant volume of concrete, metal waste, and wood waste in the subsurface and petroleum and metals contamination in groundwater.

G. In 2010, the Port initiated redevelopment of the property, which included an independent remedial action for soil and groundwater at the Site. The remedial action included excavation and offsite disposal of approximately 254,500 tons of fill from the Site and removal of an abandoned underground storage tank (UST).

H. Soil and groundwater contamination at the Site has been documented by the following reports:

1. *Phase I and Phase II Environmental Site Assessment and Fill Material Evaluation*, GeoEngineers, Inc., May 27, 2005.
2. *Parcel 88 Combined Habitat Mitigation Project Environmental Assessment Report*, Hart Crowser, April 2010

I. Ecology hereby incorporates into this Order the previous remedial actions conducted by Port of Tacoma as described in this section. Reimbursement eligibility for specific project tasks under a grant agreement with Ecology is contingent upon the determination by Ecology's Toxic Cleanup Program that the work performed complies with the substantive requirements of Chapter 173-340 WAC and is consistent with the remedial action required under this Order.

VI. ECOLOGY DETERMINATIONS

A. Port of Tacoma is an "owner or operator" as defined in RCW 70.105D.020(17) of a "facility" as defined in RCW 70.105D.020(5).

B. Based upon all factors known to Ecology, a "release" or "threatened release" of "hazardous substance(s)" as defined in RCW 70.105D.020(25) and RCW 70.105D.020(10), respectively, has occurred at the Site.

C. Based upon credible evidence, Ecology issued a PLP status letter to Port of Tacoma dated February 9, 2011, pursuant to RCW 70.105D.040, -.020(21) and WAC 173-340-500. By waiver dated February 14, 2011, Port of Tacoma voluntarily waived its rights to notice and comment and accepted Ecology's determination that Port of Tacoma is a PLP under RCW 70.105D.040.

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.

VII. WORK TO BE PERFORMED

Based on the Findings of Fact and Ecology Determinations, it is hereby ordered that Port of Tacoma 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. The Port of Tacoma shall cooperate in Public Participation Plan efforts in accordance with paragraph H of Section VIII (“Terms and Conditions”), including the preparation of documents requested by Ecology.

B. The Port of Tacoma shall prepare an independent remedial action report. This report shall describe all of the past remedial actions taken at the Site. The independent remedial action report shall be submitted to Ecology within forty-five (45) days of the effective date of the Agreed Order.

C. The Port of Tacoma shall prepare a draft Remedial Investigation/Feasibility Study report in accordance with WAC 173-340-350 that provides information adequately documenting the nature and extent of contamination at the Site. The RI/FS shall report the results of remedial investigations of the Site including vertical and lateral distribution of contaminants in soil, groundwater and sediments. Additionally, the report shall include an analysis of potential remedial alternatives and recommendations regarding a preferred remedial action to be implemented. Additional soil and groundwater investigation may be required to fill data gaps and complete the documentation of the extent and character of contamination at the Site. Plans to conduct any required additional investigation shall be submitted to Ecology for review and approval. Investigation submittals shall include a Sampling and Analytical Plan, QA/QC procedures, a Health and Safety Plan and provisions for progress reports. Ecology’s comments on the draft RI/FS shall be incorporated into the final RI/FS report. The draft RI/FS shall be submitted to Ecology within forty-five (45) days of the effective date of the Agreed Order. The

final RI/FS shall be submitted to Ecology within forty-five (45) days of receipt of Ecology’s comments.

D. If Ecology concludes that an Interim Action at the site is necessary consistent with WAC 173-340-430, then a draft Interim Remedial Action Work Plan shall be prepared and submitted to Ecology within sixty (60) days of Ecology’s Notification to Port of Tacoma that an Interim Action is necessary. Ecology’s comments on the draft Interim Action Work Plan shall be incorporated into the final work plan, which shall be submitted to Ecology within forty-five (45) days of receipt of such comments.

E. Upon Ecology approval of the final RI/FS report, the Port of Tacoma shall prepare a Draft Cleanup Action Plan (CAP) in accordance with WAC 173-340-380. The Draft CAP will address the requirements for developing a cleanup action in WAC 173-340-350 through 173-340-390. The Draft CAP shall include a description of the proposed cleanup action, cleanup standards from the RI/FS and a rationale regarding their selection, a proposed schedule for implementation, description of any institutional controls proposed, and a summary of federal, state, and local laws that are applicable to the proposed cleanup action. The Port of Tacoma shall submit the Draft CAP to Ecology for review within sixty (60) days of Ecology’s review and acceptance of the final RI/FS.

Schedule

| Deliverable | Submittal Date |
|---------------------------------------|---|
| 1. Independent Remedial Action Report | Within 45 days of the effective date of this Agreed Order |
| 2. Draft RI/FS report | Within 45 days of the effective date of this Agreed Order |
| 3. Final RI/FS report | Within 45 days of receiving Ecology’s written comments on the draft RI/FS |
| 4. Draft Interim Action Work Plan | Within 60 days of Ecology’s Notification to |

| | |
|-----------------------------------|--|
| | Port of Tacoma that an Interim Action is necessary |
| 5. Final Interim Action Work Plan | Within 45 days of receiving Ecology’s written comments on the draft Interim Action Work Plan |
| 6. Draft Cleanup Action Plan | Within 60 days of Ecology’s review and acceptance of the final RI/FS |

F. 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.

VIII. 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

Port of Tacoma 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). For all costs incurred subsequent to 02/01/2011, Port of Tacoma shall pay the

required amount within thirty (30) days of receiving from Ecology an itemized statement of costs that includes a summary of costs incurred, an 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.

In addition to other available relief, pursuant to RCW 19.16.500, Ecology may utilize a collection agency and/or, pursuant to RCW 70.105D.055, file a lien against real property subject to the remedial actions to recover unreimbursed remedial action costs.

C. Implementation of Remedial Action

If Ecology determines that Port of Tacoma has failed without good cause to implement the remedial action, in whole or in part, Ecology may, after notice to Port of Tacoma, perform any or all portions of the remedial action that remain incomplete. If Ecology performs all or portions of the remedial action because of Port of Tacoma's failure to comply with its obligations under this Order, Port of Tacoma shall reimburse Ecology for the costs of doing such work in accordance with Section VIII.B (Remedial Action Costs), provided that Port of Tacoma 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, Port of Tacoma 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:

James DeMay, Site Manager
Washington Department of Ecology
PO Box 47775
Olympia, WA 98504-7775
(360) 407-6316

The project coordinator for **Port of Tacoma** is:

Leslee Conner, Environmental Project Manager
Port of Tacoma
PO Box 1837
Tacoma, WA 98401-1837
(253) 592-6732

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 Port of Tacoma, 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 Order.

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.

Port of Tacoma 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 Port of Tacoma 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 Port of Tacoma'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 Port of Tacoma. Port of Tacoma shall make all reasonable efforts to secure access rights for those properties within the Site not owned or controlled by Port of Tacoma 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 Port of Tacoma 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, Port of Tacoma 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 VII (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, Port of Tacoma shall allow Ecology and/or its authorized representative to take split or duplicate samples of any samples collected by Port of Tacoma pursuant to implementation of this Order. Port of Tacoma shall notify Ecology seven (7) days in advance of any sample collection or work activity at the Site. Ecology shall, upon request, allow Port of Tacoma 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.F (Access), Ecology shall notify Port of Tacoma 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 Port of Tacoma.

Ecology shall maintain the responsibility for public participation at the Site. However, Port of Tacoma 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 Port of Tacoma 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 Port of Tacoma that do not receive prior Ecology approval, Port of Tacoma 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. Citizens for a Healthy Bay
917 Pacific Avenue, Suite 100
Tacoma, Washington 98402
253/383-2429
- b. Ecology's Southwest Regional Office
300 Desmond Drive SE
Lacey, Washington 98503
360/407-6300
- c. Tacoma Public Library – Main Branch
Northwest Room
1102 Tacoma Avenue South
Tacoma, WA 98402

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, Port of Tacoma 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, Port of Tacoma 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.B (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, Port of Tacoma 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. Port of Tacoma 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 Port of Tacoma'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 Port of Tacoma 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 Port of Tacoma 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 Port of Tacoma;
- b. Acts of God, including fire, flood, blizzard, extreme temperatures, storm, or other unavoidable casualty; or
- c. Endangerment as described in Section VIII.M (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 Port of Tacoma.

3. Ecology shall act upon any written request for extension in a timely fashion. Ecology shall give Port of Tacoma 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.L (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.M (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.N (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 Port of Tacoma. Port of Tacoma 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.J (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 Port of Tacoma to cease such activities for such period of time as it deems necessary to abate the danger. Port of Tacoma shall immediately comply with such direction.

In the event Port of Tacoma 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, Port of Tacoma may cease such activities. Port of Tacoma 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 Port of Tacoma shall provide Ecology with documentation of the basis for the determination or cessation of such activities. If Ecology disagrees with Port of Tacoma's cessation of activities, it may direct Port of Tacoma to resume such activities.

If Ecology concurs with or orders a work stoppage pursuant to Section VIII.M (Endangerment), Port of Tacoma'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.K (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 Port of Tacoma to recover remedial action costs paid to and received by Ecology under this Order. In addition, Ecology will not take additional enforcement actions against Port of Tacoma regarding remedial actions required by this Order, provided Port of Tacoma 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 Port of Tacoma 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 Port of Tacoma's transfer of any interest in all or any portion of the Site, and during the effective period of this Order, Port of Tacoma 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, Port of Tacoma shall notify Ecology of said transfer. Upon transfer of any interest, Port of Tacoma 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 Port of Tacoma 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. The permits or specific federal, state or local requirements that the agency has determined are applicable and that are known at the time of entry of this Order have been identified in Exhibit B.

2. Pursuant to RCW 70.105D.090(1), Port of Tacoma 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, Port of Tacoma shall comply with the substantive requirements of such permits or approvals.

Port of Tacoma 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 Port of Tacoma 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 Port of Tacoma shall be responsible to contact the appropriate state and/or local agencies. If Ecology so requires, Port of Tacoma 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 Port of Tacoma and on how Port of Tacoma must meet those requirements. Ecology shall inform Port of Tacoma in writing of these requirements. Once established by Ecology, the additional requirements shall be enforceable requirements of this Order. Port of Tacoma 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 Port of Tacoma 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

Port of Tacoma 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 Port of Tacoma, its officers, employees, agents, or contractors in entering into and implementing this Order. However, Port of Tacoma 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.

IX. SATISFACTION OF ORDER

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

X. 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 Port of Tacoma refuses, without sufficient cause, to comply with any term of this Order, Port of Tacoma 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: _____

PORT OF TACOMA

**STATE OF WASHINGTON,
DEPARTMENT OF ECOLOGY**

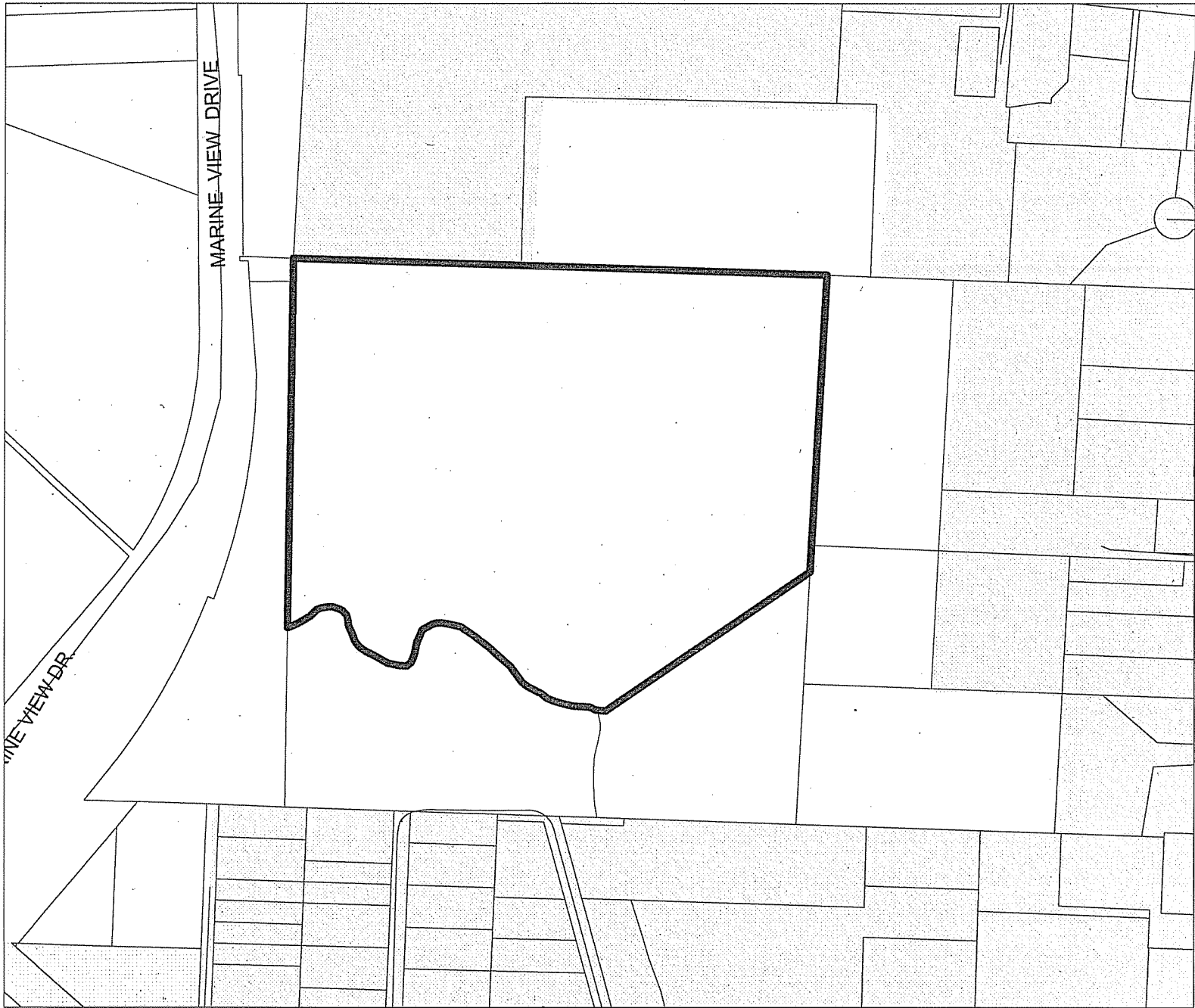
John Wolfe

Rebecca S. Lawson, P.E., LHG

**Chief Executive Officer
Port of Tacoma
253-383-5841**

**Section Manager
Toxics Cleanup Program
Southwest Regional Office
(360) 407-6241**

Exhibit A - Pierce County Tax Parcel 0421313048



SCALE 1 : 4,233

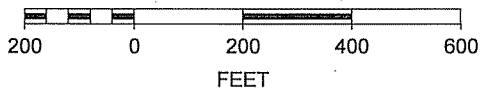


EXHIBIT B

Permits and Substantive Requirements

Laws and regulations addressing permits or federal, state, or local requirements that Ecology believes may be applicable at the time of entry of this Order are listed below. This list may not include all pertinent laws and regulations. Work performed shall be in accordance with the substantive requirements of any applicable law or regulation.

Substantive Requirements Associated with this Action:

1. Chapter 70.105D RCW (Model Toxics Control Act), and Chapter 173-340 WAC (MTCA Regulations).
2. Chapter 43.21C RCW (State Environmental Policy Act) and Chapter 197-11 WAC (State Environmental Policy Act Rules).
3. Chapter 90.58 RCW (Shoreline Management Act) and Chapter 173-27 WAC (Shoreline Management Act Rules).
4. Chapter 70.105 RCW (Washington State Hazardous Waste Management Act), and Chapter 173-303 WAC (State Dangerous Waste Regulations).
 - Tacoma-Pierce County Health Department (TPCHD) approval for disposal of soils at their Pierce County Recycling, Disposal, & Composting, dba Land Recovery, Incorporated (LRI) Subtitle D landfill facility.
5. Chapter 173-160 RCW (Minimum Standards for Construction and Maintenance of Wells).
 - Records documenting well destructions and installations will be submitted by a licensed contractor.
6. Washington Industrial Safety and Health Act (WISHA).
 - Contractor will develop a written Health and Safety Plan (HASP).
7. Applicable Pierce County and City of Tacoma Administrative Codes

Permits Associated with this Action:

1. Federal Clean Water Act Section 404 Permit, and/or Nationwide Permit (NWP) 5, Scientific Monitoring Devices and/or NWP 38, Cleanup of Toxic and Hazardous Wastes.
2. Chapter 90.48 RCW (State Water Pollution Control Act) and Chapter 173-220 WAC (National Pollution Discharge Elimination System (NPDES) Permit Program Regulations - Construction Stormwater permit).
 - Compliance with Construction Stormwater General Permit WAR-010740.

3. Applicable Pierce County and City of Tacoma Administrative Codes
 - Tacoma Fire Department and Tacoma-Pierce County Health Department (TPCHD) permits for Underground Tank Removal
 - City of Tacoma Street Use Permit

Other Authorizations Associated with this Action:

1. Permission from NRDA trustees for work completed in NRDA mitigation areas
2. BPA authorization for work completed within BPA easement.