

**STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY**

In the Matter of Remedial Action by:

PRS Group, Inc.
3003 Taylor Way
Tacoma, Washington

AGREED ORDER

No. DE 11357

TO: The Potentially Liable Persons (PLPs) at 3003 Taylor Way, Tacoma, Washington

PRS Group, Inc.
c/o Mr. Tom Smith, President

Petroleum Reclaiming Service, Inc. (PRSI)
c/o Mr. Tom Smith, President

Mr. Tom Smith
PRS Group, Inc.

Mr. Gary Smith
PRS Group, Inc.

TABLE OF CONTENTS

I. INTRODUCTION	3
II. JURISDICTION	3
III. PARTIES BOUND	3
IV. DEFINITIONS.....	4
V. FINDINGS OF FACT	7
VI. ECOLOGY DETERMINATIONS	15
VII. WORK TO BE PERFORMED	17
VIII. TERMS AND CONDITIONS	19
A. Remedial Action Costs	19
B. Designated Project Coordinators	20
C. Performance	21
D. Access	21

E. Sampling, Data Submittal, and Availability	22
F. Public Participation.....	23
G. Retention of Records	24
H. Resolution of Disputes.....	25
I. Extension of Schedule	26
J. Amendment of Order.....	28
K. Endangerment	28
L. Reservation of Rights.....	29
M. Transfer of Interest in Property.....	30
P. Financial Assurance.....	31
Q. Indemnification.....	32
IX. SATISFACTION OF ORDER	32
X.ENFORCEMENT.....	32

- EXHIBIT A: Facility Diagram
- EXHIBIT B: List of documents submitted by PRS Group, Inc.
- EXHIBIT C: Groundwater Monitoring Plan
- EXHIBIT D: RI/FS Scope of Work and Schedule
- EXHIBIT E: Public Participation Plan

I. INTRODUCTION

The mutual objective of the State of Washington, Department of Ecology (Ecology) and PRS Group, Inc., Petroleum Reclaiming Services Inc. (PRSI), Mr. Tom Smith, and Mr. Gary Smith (the PLPs) 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 PLPs to prepare a final remedial investigation (RI) report, a feasibility study (FS) report, and a draft cleanup action plan (CAP) for the PRS Group, Inc. Facility located at 3003 Taylor Way, Tacoma, Washington. Ecology believes the actions required by this Order are in the public interest.

II. JURISDICTION

This Agreed Order is issued pursuant to the authority of the Model Toxics Control Act (MTCA), RCW 70.105D.050(1). This Order rescinds and supersedes Agreed Order No. DE 95HS-S349, signed April 2, 1997, by Ecology, Petroleum Reclaiming Service, Inc. (PRSI), Mr. Tom Smith, and Mr. Gary Smith. This Order also satisfies the requirements of WAC 173-303-646 through -64630.

III. PARTIES BOUND

This 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 the Order. The PLPs agree to undertake all actions required by the terms and conditions of this Order. No change in ownership or corporate status shall alter the PLPs' responsibility under this Order. The PLPs 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 RCW 70.105D and WAC 173-340 shall control the meanings of the terms used in this Order.

A. 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.

B. Area of Concern (AOC): Refers to any area of the Facility where a release of dangerous constituents (including dangerous waste and hazardous substances) has occurred, is occurring, is suspected to have occurred, or threatens to occur.

C. Cleanup Action Plan (CAP): Refers to the document issued by Ecology under WAC 173-340-380 which selects Facility-specific corrective measures and specifies cleanup standards (cleanup levels, points of compliance, and other requirements for the corrective measures).

D. Cleanup Standards: Refers to the standards promulgated under RCW 70.105D.030(2)(e) and include (1) hazardous substance concentrations (cleanup levels) that protect human health and the environment, (2) the location at the Facility where those cleanup levels must be attained (points of compliance), and (3) additional regulatory requirements that apply to a cleanup because of the type of action and/or the location of the Facility.

E. Corrective Action: Refers to any activities including investigations, studies, characterizations, and corrective measures, including actions taken pursuant to RCW 70.105D and WAC 173-340, undertaken in whole or in part to fulfill the requirements of WAC 173-303-64620.

F. Corrective Measure: Refers to any measure or action to control, prevent, or mitigate release(s) and/or potential release(s) of dangerous constituents (including dangerous waste and hazardous substances) reviewed and approved by Ecology for the Facility and set forth

in a Facility-specific CAP prepared in compliance with the requirements of WAC 173-340, including WAC 173-340-360. Corrective measures may include interim actions as defined by WAC 173-340. Interim actions will not necessarily be set forth in a Facility-specific CAP.

G. Dangerous Constituent or Dangerous Waste Constituent: Refers to any constituent identified in WAC 173-303-9905 or 40 C.F.R. part 264, appendix IX; any constituent that caused a waste to be listed or designated as dangerous under the provisions of WAC 173-303; and any constituent defined as a hazardous substance under RCW 70.105D.020(13).

H. Dangerous Waste: Refers to any solid waste designated in WAC 173-303-070 through -100 as dangerous or extremely hazardous or mixed waste. Dangerous wastes are considered hazardous substances under RCW 70.105D.020(13).

I. Dangerous Waste Management Facility: Used interchangeably in this document with the term “Facility.”

J. Dangerous Waste Management Unit (DWMU): Refers to a contiguous area of land on or in which dangerous waste is placed, or the largest area in which there is a significant likelihood of mixing dangerous waste constituents in the same area, as defined in WAC 173-303-040.

K. Facility: Refers to the DWMU controlled by the PLPs located at 3003 Taylor Way, Tacoma, WA 98421; all property contiguous to the DWMU also controlled by the PLPs; and all property, regardless of control, affected by release(s) or threatened release(s) of hazardous substances, including dangerous wastes and dangerous constituents, at and from these areas. “Facility” also includes the definition found in RCW 70.105D.020(8).

L. Feasibility Study (FS): Refers to the investigation and evaluation of potential corrective measures performed in accordance with the FS requirements of WAC 173-340-350, and the RI/FS Scope of Work attached to this order as Exhibit D, which includes the substantive requirements for a Resource Conservation and Recovery Act Corrective Measures Study, and

which is undertaken in whole or in part to fulfill the corrective action requirements of WAC 173-303-64620.

M. Parties: Refers to the State of Washington, Department of Ecology, PRS Group, Inc., Petroleum Reclaiming Service, Inc. (PRSI), Mr. Gary Smith, and Mr. Tom Smith.

N. Polychlorinated biphenyls or PCB mixtures refers to those aromatic compounds containing two benzene nuclei with two or more substituted chlorine atoms. PCB includes those congeners which are identified using the appropriate analytical methods as specified in WAC 173-340-810.

O. Potentially Liable Persons (PLPs): Refers to PRS Group, Inc., PRSI, Mr. Gary Smith, and Mr. Tom Smith.

P. Permit or Permitting Requirement: Unless otherwise specified, refers to the requirements of WAC 173-303 for applying for, obtaining, maintaining, modifying, and terminating Dangerous Waste Management Facility permits.

Q. RCRA: Refers to the Resource Conservation and Recovery Act, 42 U.S.C. §§ 6901–6992k.

R. RCRA Facility Assessment (RFA): Refers to the United States Environmental Protection Agency (EPA) conducted investigation of release(s) and potential release(s) at the Dangerous Waste Management Facility and the information contained in the report entitled *Final RCRA Facility Assessment Report, Petroleum Reclaiming Service, Inc., Tacoma, Washington, EPA I.D. WAD 980511729* (RFA Report), dated July 1996. The RFA Report is incorporated into this Order by reference as if fully set forth herein.

S. Release: Refers to any intentional or unintentional spilling, leaking, pouring, emitting, emptying, discharging, injecting, pumping, escaping, leaching, dumping, or disposing of dangerous waste or dangerous constituents into the environment. It also includes the abandonment or discarding of barrels, containers, and other receptacles containing dangerous

waste or dangerous constituents, and includes the definition of “release” in RCW 70.105D.020(32).

T. Remedial Investigation (RI): Refers to a facility-wide investigation and characterization performed in accordance with the requirements of WAC 173-340, and the RI/FS Scope of Work attached to this Order as Exhibit D, which includes the substantive requirements for a RCRA facility investigation, undertaken in whole or in part to fulfill the corrective action requirements of WAC 173-303-64620.

U. Solid Waste Management Unit (SWMU): Refers to any discernible location at the Dangerous Waste Management Facility where solid wastes have been placed at any time, irrespective of whether the location was intended for the management of solid or dangerous waste. Such locations include any area at the Dangerous Waste Management Facility at which solid wastes, including spills, have been routinely and systematically released, and include regulated units as defined by WAC 173-303.

V. FINDINGS OF FACT

Ecology makes the following Findings of Fact, without any express or implied admissions of such facts by the PLPs

A. PRSI owned and operated the Facility as a Dangerous Waste Management Facility on or after November 19, 1980, the date which subjects facilities to RCRA permitting requirements, including interim status requirements pursuant to RCRA, 42 U.S.C. § 6925, and implementing regulations thereunder, and including authorized state regulations promulgated in WAC 173-303.

B. On November 29, 1983, PRSI submitted a Notification of Dangerous Waste Activities (NDWA) Form 2 to Ecology for the Facility. The NDWA Form 2 included the following waste codes:

Waste Code	Description	Volume
K049	Slop oil emulsions from the petroleum refining industry	3 tons
K051	American Petroleum Institute (API) separator sludge from the petroleum refining industry	25 tons

C. On January 10, 1984, pursuant to the November 29, 1983 notification, EPA issued identification number WAD980511729 to PRSI.

D. In November 1987, Mr. Gary Smith and Mr. Tom Smith purchased PRSI.

E. In November 2003, PRSI underwent corporate restructuring and created PRS Group, Inc. PRSI maintained ownership of the Facility. PRS Group, Inc. is the operator of the Facility and responsible for day-to-day operations at the Facility.

F. On March 15, 2013, the PLPs submitted a Dangerous Waste Management Facility Permit application (Part A and Part B) for the Facility.

G. In a letter to the PLPs dated October 3, 2013, Ecology expressed concerns regarding the adequacy of the permit application.

H. In a letter to Ecology dated February 18, 2014, the PLPs withdrew the permit application submitted on March 15, 2013.

I. In a letter to the PLPs dated February 27, 2014, Ecology acknowledged receipt of the permit application withdrawal letter and declared the permitting process closed.

J. A public comment period on termination of interim status was held October 27 to December 11, 2014. In a letter dated January 23, 2015, Ecology notified the PLPs of Ecology's decision to terminate interim status at the Facility.

K. The PLPs currently operate the Facility as a used oil recycling facility under the requirements of WAC 173-303-515 (Standards for the management of used oil).

Findings of Facts Regarding Wastes Proposed and Approved for Management at the Facility

L. On August 8, 1985, PRSI submitted a Dangerous Waste Permit General Information Form (Part A). In the Part A application, PRSI identified itself as managing K049 (slop oil emulsions), K051 (API separator sludge), K052 (leaded tank bottoms), and W001 (wastes generated from the salvaging, rebuilding, or discarding of transformers, bushings, or capacitors which contain PCBs). The Part A identified tank storage (S02) of 149,625 gallons and tank treatment (T01) of 40,000 gallons per day.

M. Between 1985 and 1993, the PLP's submitted six (6) amended Part A applications proposing the management of dangerous wastes at the Facility. Oftentimes the applications were for wastes the PLPs were not actually managing and the PLPs did not receive approval from Ecology for managing those wastes.

N. In a letter dated November 20, 1991, Ecology granted PRSI approval to manage WT02 and W001 waste.

Findings of Facts Regarding Releases and/or Potential Releases

O. In July 1996, EPA performed a RFA at the Facility. The purpose of a RFA is to identify those areas at the Facility where release(s) of hazardous substances, as defined in RCW 70.105D.020(13), may have occurred or may be occurring.

P. Pursuant to the RFA Report and other information, Ecology has identified the following SWMUs and AOCs at the Facility:

SWMU/AOC Number	Description
SWMUs 1 and 2	Tanks 1A and 2A
SWMUs 3 and 4	Tanks 3A and 4A
SWMU 5	Tank 5A
SWMU 6	Tank 6A
SWMU 7	Tank 7A
SWMUs 8 and 9	Tanks 8A and 9A
SWMU 10	Tank 10A
SWMU 11	Tank 11A
SWMU 12	Tank 12A
SWMU 13	Tank 20A
SWMU 14	Tank 30A
SWMU 15	Tank SL
SWMU 16	Tank VO
SWMU 17	Tank 1B
SWMU 18	Tank 2B
SWMU 19	Tank 3B
SWMU 20	Tank 4B
SWMU 21	Tank 5B
SWMU 22	Water Treatment Plant
SWMU 23	Antifreeze Drum Storage Area
SWMU 24	Sludge Tank
SWMU 25	Sanitary Sewer
AOC 1	Soil and Groundwater Contamination

Q. Release(s) and/or potential release(s) of hazardous substances from SWMUs and AOCs at the Facility include, but are not limited to total petroleum hydrocarbons (TPH), benzene, tetrachloroethene, trichloroethylene, vinyl chloride, xylenes, arsenic, cadmium, and mercury from SWMUs and AOCs at the Facility are documented in the RFA Report and by investigations and sampling done by the PLPs' consultants: Environmental Engineering & Consulting, Inc. and SECOR International in 1992, 1993 and 1996. Ecology documented groundwater contamination at the Facility in 2001. Additional groundwater monitoring wells were installed at the Facility in 2008 and 2010.

1. On September 14, 1989, Ecology issued an Administrative Order to PLP-PRSI for violations of facility performance standards (WAC 173-303-283) and spills to the interior of the diked secondary containment area found during inspections by Ecology on May 16, May 24, and June 17, 1989. Equipment used at the Facility routinely tracked oil around the facility on and off of containment pads, and personnel at the Facility routinely tracked waste oils into the laboratory and the office, which should be considered clean.

2. Extensive tracking of waste oil throughout the floor of the diked secondary containment area was observed by Ecology during inspections of the Facility on October 19, 1989, and May 3, 1990. In addition, none of the joints in the diked secondary containment area had been sealed, and no sealant appeared to coat the concrete base or walls of the secondary containment area. Staining on the outside of the containment walls indicated possible spillage over the top of the containment walls. During the May 1990 inspection, Ecology observed evidence of leakage at a joint in the south wall on the southeast corner of the containment area and from a large crack in the south wall. A void was noted in a trough running the west-east length of the containment

area at its west end where concrete at the bottom of the void could not be found when the void was probed with a pen.

3. On December 21, 1989, during an inspection, Ecology observed the diked secondary containment area surrounding three large vertical tanks partially full of a black viscous liquid. Of the 20 inches of liquid in the containment area, 18.6 inches was petroleum-based material. A discharge of liquid (via a crack or joint) from the containment area to the ground on the east side of the containment area was also observed. The liquid found in the containment was primarily composed of #2 diesel oil along with some type of heavier hydrocarbon mixture, probably a lubricating oil.

4. On October 30, 1990, Ecology and the PLPs signed PCHB No. 90-30 Stipulation and Agreed Order of Dismissal. The Stipulation and Agreed Order of Dismissal required PRSI to evaluate potential soil and groundwater contamination at the Facility, and define the type, and vertical and horizontal extent of soil and groundwater contamination beneath the Facility.

5. On April 2, 1997, Ecology and the PLPs signed Agreed Order No. DE 95HS-S349. Agreed Order No. DE 95HS-S349 rescinded PCHB No. 90-30 Stipulation and Agreed Order of Dismissal, except for an outstanding portion of a \$5,000 penalty credit. Agreed Order No. DE 95HS-S349 required the PLPs to conduct an interim action after closure of the existing tank farm and before construction of a new tank farm.

6. Holes in the bottom of the sewer discharge sump at the Facility were discovered when the sump was cleaned out on December 14, 1990.

7. According to a December 31, 1990 report, holes were again found in the Facility's oil-water separator during cleaning. The holes were "about 6 inches in diameter – and there were two holes."

8. A strong hydrocarbon odor was noted in soils at a depth of 3.0 feet and visible hydrocarbon sheen was observed on soil at a depth of 5.0 to 5.5 feet during installation of monitoring well (MW) C-03A at the Facility on August 23, 1991.

9. Soil and groundwater contamination at the Facility was identified in 1991 and 1992 during a Phase 1 site investigation. Specific analytes in soil included: total petroleum hydrocarbons or TPH (88,000 milligrams per kilogram or mg/kg), arsenic (218 mg/kg), cadmium (30 mg/kg), and mercury (1.7 mg/kg). Specific analytes found in the shallow groundwater included: arsenic (190 micrograms per liter or $\mu\text{g/l}$), trichloroethylene (32 $\mu\text{g/l}$), vinyl chloride (150 $\mu\text{g/l}$), total xylenes (34 $\mu\text{g/l}$), and TPH (3,200 $\mu\text{g/l}$).

10. Soil and groundwater contamination at the Facility was identified in Phase 2 of a site investigation in 1992 and 1993. Specific analytes found in soil included: arsenic (210 mg/kg), PCB mixtures (Aroclor 1260 at 15 mg/kg), TPH (47,000 mg/kg), and mercury (1.1 mg/kg). Specific analytes found in the shallow groundwater included: arsenic (690 $\mu\text{g/l}$), cadmium (7 $\mu\text{g/l}$), vinyl chloride (190 $\mu\text{g/l}$), and TPH (1,200 $\mu\text{g/l}$).

11. Groundwater contamination at the Facility was again identified in 1996 during additional data collection of two additional groundwater monitoring wells, which were installed to collect data on the shallow aquifer. Specific analytes found in the groundwater included: TPH (3.62 mg/l), dissolved arsenic (0.179 mg/l), benzene (8.59 $\mu\text{g/l}$), tetrachloroethene (11.7 $\mu\text{g/l}$), and vinyl chloride (5.75 $\mu\text{g/l}$).

12. On behalf of PRSI, SECOR International Incorporated submitted a compilation report to Ecology in 1996. The report reformatted and revised the 1992 and 1993 report regarding the Phase 2 investigation conducted at the Facility.

13. Ecology identified groundwater contamination during groundwater sampling at the Facility in May 2001. Specific analytes in the groundwater included:

benzene (1.3 µg/l), trichloroethene (5.9 µg/l), tetrachloroethene (23 µg/l), arsenic (85 µg/l), and gasoline (100 µg/l).

14. During an inspection on February 19, 2004, Ecology noted cracks and gaps in the secondary containment system, which was a violation of WAC 173-303-515(9) [“Failure to maintain a tank and secondary containment system and/or repair cracks and gaps that can provide a pathway to soil and groundwater contamination.”] This violation was detailed in a letter to the PLPs on March 2, 2004.

15. Groundwater contamination at the Facility was again identified in 2008 during groundwater sampling. Specific analytes found in the groundwater included: cis-1,2-dichloroethane (28 µg/l), vinyl chloride (5 µg/l), and arsenic (1.3 mg/L).

16. During an inspection on June 11, 2009, Ecology noted that the containment system in Tank Farm A and Tank Farm B could not be inspected due to the accumulation of residual material, dirt, and soil coating the surface. Conditions around stored drums of PCB-contaminated materials were deemed “unacceptable,” with leaking hoses and containers leaking oily waste onto the concrete pad at the back of the property.

17. During an inspection on July 13, 2011, Ecology noted the poor condition of the containment system in Tank Farm A and Tank Farm B and poor housekeeping with the surfaces of the tank farms dirty – coated with oil and standing puddles. The inspection report stated lack of compliance with WAC 173-303-515(9) and 40 CFR Part 279.54 (c, d, and e) [“Secondary containment is required for used oil being managed in containers and tanks.”] and WAC 173-303-515(9) and 40 CFR Part 279.52(a)(1) [“Facilities must be maintained and operated to minimize the possibility of a non-sudden release of used oil to soil.”].

18. In a letter dated July 22, 2011, to the PLPs, Ecology stated “Due to ongoing releases of oil to the floor, it was difficult to fully assess the integrity of the system. However, I was able to see in at least two places that the joint sealant was gone, and in

many areas the coating has worn off revealing exposed concrete aggregate. These conditions present a significant deviation from performance standards.”

R. Hazardous substances may have been and might continue to be released from the PRS Group, Inc. Facility into the environment including surface water drainage areas; groundwater beneath and beyond the Facility; air; human work areas; and floral and faunal habitats.

VI. ECOLOGY DETERMINATIONS

Ecology makes the following determinations, without any express or implied admissions of such determinations (and underlying facts) by the PLPs.

A. The PLPs are persons within the meaning of RCW 70.105D.020(24).

B. The PLPs are the owners and operators of the Facility that has operated, is operating, or should have been operating under interim status or a final facility permit, subject to RCRA, 42 U.S.C. §§ 6924 and 6925, and regulations promulgated thereunder, including authorized state regulations in WAC 173-303. The PLPs are also an “owner or operator” as defined by RCW 70.105D.020(22) of a “facility” as defined by RCW 70.105D.020(8).

C. The Facility is no longer operating under interim status, which was terminated pursuant to loss of interim status (LOIS) provisions. Despite LOIS, the Facility is still subject to corrective action under WAC 173-303-646 through 64620.

D. Certain waste and constituents found at the Facility are dangerous wastes and/or dangerous constituents as defined by WAC 173-303 and in Section IV (Definitions) of this Order.

E. These dangerous wastes and dangerous constituents are considered hazardous substances within the meaning of RCW 70.105D.020(13).

F. Based on the Findings of Fact and the administrative record, Ecology has determined that release(s) and potential release(s) of hazardous substances at and/or from the

Facility have occurred and present a threat or potential threat to human health and the environment.

G. Based on credible evidence, Ecology issued PLP status letters to Mr. Gary Smith, Mr. Tom Smith and to PRSI dated October 28, 1994, and to PRS Group, Inc. on March 5, 2015, pursuant to RCW 70.105D.040, .020(26), 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 Mr. Gary Smith and Mr. Tom Smith and PRSI, and PRS Group, Inc. are PLPs under RCW 70.105D.040. Ecology notified Mr. Gary Smith and Mr. Tom Smith of this determination by letter dated December 5, 1994. Ecology notified PRSI and PRS Group, Inc. of this determination by separate letters dated December 13, 1994 and March 5, 2015, respectively.

H. Pursuant to RCW 70.105D.030(1) and .050(1), Ecology may require the 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.

I. 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 plan. Either party may propose an interim action under this Order. If the Parties are in agreement concerning the interim action, the Parties will follow the process in Section VII.E. If the Parties are not in agreement, Ecology reserves its authority to require interim action(s) under a separate order or other enforcement action under RCW 70.105D, or to undertake the interim action itself.

VII. WORK TO BE PERFORMED

Based on the Findings of Fact and Ecology Determinations, it is hereby ordered that the PLPs take the following remedial action(s) at the Facility and that this (these) action(s) be conducted in accordance with WAC 173-340 unless otherwise specifically provided for herein.

A. The PLPs shall submit semiannual progress reports on the 15th of January and July. If Ecology agrees that such a change is appropriate, progress reports may be submitted at less frequent intervals. The semiannual progress reports shall include, at a minimum:

1. A description of work performed or completed in accordance with the approved work plan completed during the reporting period.
2. A description of work activities planned for the next reporting period.
3. A description of any problems and how problems were resolved, including any deviation from the approved work plan that Ecology and the PLPs have agreed to under Section VIII.L of this Order.
4. A summary of significant findings, changes in personnel, and significant contacts with all federal, state, and local governments, community, and public interest groups.
5. The results of all laboratory analyses (as copies of the original laboratory reporting data, in tabulated format).
6. All quality assurance results and associated data validation assessments.
7. All field measurements.

B. The PLPs shall conduct groundwater monitoring according to the schedule in the Groundwater Monitoring Plan, attached as Exhibit C. The PLPs shall also submit annual groundwater data analysis reports to Ecology according to the requirements in Exhibit C.

C. Within sixty (60) days of the effective date of this Order, data from previous investigations at the Facility shall be compiled and submitted in electronic format consistent with Section VIII.E to Ecology for review and comment. If the Parties agree, the PLPs shall prepare and submit an Agency Review Draft Work Plan for additional investigation, including a scope of work and schedule, by a date determined by Ecology. Upon review and approval by Ecology, the Public Review Work Plan for additional investigation becomes an integral and enforceable part of this Order, and the PLPs are required to implement the Work Plan in accordance with the schedule in the approved Work Plan.

D. The PLPs shall submit a final RI report, final FS report, and draft CAP according to the Scope of Work and Schedule, attached as Exhibit D.

E. Following Ecology approval of all deliverables, each deliverable, once approved by Ecology, becomes an integral and enforceable part of this Order.

F. If the Parties agree on an interim action under Section VI.H, the PLPs shall prepare and submit to Ecology an Interim Action Work Plan, including a scope of work and schedule, by the date determined by Ecology. Ecology will provide public notice and opportunity to comment on the Interim Action Work Plan in accordance with WAC 173-340-600(16). The PLPs shall not conduct the interim action until Ecology approves the Interim Action Work Plan. Upon approval by Ecology, the Interim Action Work Plan becomes an integral and enforceable part of this Order, and the PLPs are required to conduct the interim action in accordance with the approved Interim Action Work Plan.

G. The PLPs shall notify Ecology's project coordinator in writing of any newly-identified SWMU(s), newly-discovered release(s) from known SWMU(s), and newly-discovered AOCs at the Facility no later than thirty (30) days after discovery, and shall investigate and report on these areas as directed by Ecology's project coordinator. If required, the investigation (assessment) and reporting shall be done in accordance with Exhibit D (RI/FS Scope of Work).

H. If Ecology determines that the PLPs have failed to make sufficient progress or failed to implement the remedial action, in whole or in part, Ecology may, after notice to the PLPs, perform any or all portions of the remedial action or at Ecology's discretion allow the PLPs opportunity to correct. The PLPs shall reimburse Ecology for the costs of doing such work in accordance with Section VIII.A (Remedial Action Costs). Ecology reserves the right to enforce requirements of this Order under Section X (Enforcement).

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

VIII. TERMS AND CONDITIONS

A. Remedial Action Costs

The PLPs 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 Facility under RCW 70.105D, 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). Ecology has accumulated \$12,162.53 in remedial action costs related to this Facility as of June 17, 2015. Payment for this amount shall be submitted within thirty (30) days of the effective date of this Order. For all costs incurred subsequent to June 17, 2015, the PLPs 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.

B. Designated Project Coordinators

The project coordinator for Ecology is:

Charles Hoffman
Department of Ecology
Hazardous Waste and Toxics Reduction Program
Southwest Regional Office
PO Box 47775
Olympia, WA 98504-7775
Phone: 360/407-6344
Email: chof461@ecy.wa.gov

The project coordinator for the PLPs is:

Tom Smith
PRS Group, Inc.
3003 Taylor Way
Tacoma, WA 98421
Phone: 253/383-4175
Email: tom@prsplant.net

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 Facility. To the maximum extent possible, communications between Ecology and the PLPs, 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.

C. Performance

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

All engineering work performed pursuant to this Order shall be under the direct supervision of a professional engineer registered by 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 by 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 RCW 18.43 and 18.220.

The PLPs 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 Facility.

In 2013, Ecology adopted NAVD88 as the agency's official vertical datum. Since then, Ecology's Environmental Information Management System (EIM) database has been modified to accept only NAVD88 referenced elevations, which in turn are used to calculate groundwater level elevations and depths below land surface from user input groundwater levels. Therefore, all new and existing groundwater monitoring wells shall be surveyed to the NAVD88 vertical datum.

D. Access

Ecology or any Ecology authorized representative shall have access to enter and freely move about all property at the Facility that the PLPs either own, control, or have 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 the PLPs' 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 the PLPs. The PLPs shall make all reasonable efforts to secure access rights for those properties within the Facility not owned or controlled by the PLPs 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 Facility property owned or controlled by the PLPs unless an emergency prevents such notice. All persons who access the Facility 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 Facility property access.

E. Sampling, Data Submittal, and Availability

With respect to the implementation of this Order, the PLPs 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, the PLPs shall allow Ecology and/or its authorized representative to take split or duplicate samples of any samples collected by the PLPs pursuant to implementation of this Order. The PLPs shall notify Ecology seven (7) days in advance of any sample collection or work activity at the Facility. Ecology shall, upon request, allow the PLPs 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.D (Access), Ecology shall notify the PLPs 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 WAC 173-50 for the specific analyses to be conducted, unless otherwise approved by Ecology.

F. Public Participation

A Public Participation Plan is required for this Facility. The Public Participation Plan is found in Exhibit E to this Order. Ecology shall review the 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 the PLPs.

Ecology shall maintain the responsibility for public participation at the Facility. However, the PLPs 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 the PLPs 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 the PLPs that do not receive prior Ecology approval, the PLPs 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 Facility. 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
535 Dock Street, Suite 213,
Tacoma, WA 98402 •
Phone: 253/383-2429
- (b) Mary Rose Kobetich Library
212 Browns Point Blvd NE
Tacoma, WA 98422
Phone: 253/248-7265
- (c) Ecology's Southwest Regional Office
300 Desmond Drive SE
Lacey, WA 98503
Phone: 360/407-6300

At a minimum, copies of all public notices, fact sheets, and documents relating to public comment periods shall be promptly placed in these repositories. A copy of all documents related to this Facility shall be maintained in the repository at Ecology's Southwest Regional Office in Lacey, Washington.

G. 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, the PLPs 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, the PLPs shall make all records available to Ecology and allow access for review within a reasonable time.

Nothing in this Order is intended to waive any right the PLPs may have under applicable law to limit disclosure of documents protected by the attorney work-product privilege and/or the attorney-client privilege. If the PLPs withhold any requested records based on an assertion of privilege, the PLPs shall provide Ecology with a privilege log specifying the records withheld and the applicable privilege. No Facility-related data collected pursuant to this Order shall be considered privileged.

H. Resolution of Disputes

1. In the event that the PLPs elect to invoke dispute resolution the PLPs must utilize the procedure set forth below.

a. Upon the triggering event (receipt of Ecology's project coordinator's written decision or an itemized billing statement), the PLPs have fourteen (14) calendar days within which to notify Ecology's project coordinator in writing of its dispute ("Informal Dispute Notice").

b. The Parties' project coordinators shall then confer in an effort to resolve the dispute informally. The parties shall informally confer for up to fourteen (14) calendar days from receipt of the Informal Dispute Notice. If the project coordinators cannot resolve the dispute within those 14 calendar days, then within seven (7) calendar days Ecology's project coordinator shall issue a written decision ("Informal Dispute Decision") stating: the nature of the dispute; the PLPs' position with regards to the dispute; Ecology's position with regard to the dispute; and the extent of resolution reached by informal discussion.

c. The PLPs may then request regional management review of the dispute. This request ("Formal Dispute Notice") must be submitted in writing to the Southwest Region's Hazardous Waste and Toxics Reduction Section Manager within seven (7) calendar days of receipt of Ecology's Informal Dispute Decision. The Formal Dispute Notice shall include a written statement of dispute setting forth: the nature of the dispute;

the disputing Party's position with respect to the dispute; and the information relied upon to support its position.

d. The Southwest Region's Hazardous Waste and Toxics Reduction Section Manager shall conduct a review of the dispute and shall issue a written decision regarding the dispute ("Decision on Dispute") within thirty (30) calendar days of receipt of the Formal Dispute Notice. The Decision on Dispute 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.

4. In case of a dispute, failure to either proceed with the work required by this Order or timely invoke dispute resolution may result in Ecology's determination that insufficient progress is being made in preparation of a deliverable, and may result in Ecology undertaking the work under Section VII (Work to be Performed) or initiating enforcement under Section X (Enforcement).

I. 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 the PLPs 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 the PLPs 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 the PLPs;

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

c. Endangerment as described in Section VIII.K (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 the PLPs.

3. Ecology shall act upon any written request for extension in a timely fashion. Ecology shall give the PLPs 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.J (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.K (Endangerment).

J. 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.L (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 the PLPs. The PLPs 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.H (Resolution of Disputes).

K. Endangerment

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

In the event the PLPs determine that any activity being performed at the Facility is creating or has the potential to create a danger to human health or the environment, the PLPs may cease such activities. The PLPs 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 the PLPs shall provide Ecology with documentation of

the basis for the determination or cessation of such activities. If Ecology disagrees with the PLPs' cessation of activities, it may direct the PLPs to resume such activities.

If Ecology concurs with or orders a work stoppage pursuant to this section, the PLPs' 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.I (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.

L. Reservation of Rights

This Order is not a settlement under RCW 70.105D. 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 the PLPs to recover remedial action costs paid to and received by Ecology under this Order. In addition, Ecology will not take additional enforcement actions against the PLPs regarding remedial actions required by this Order, provided the PLPs comply with this Order.

Ecology nevertheless reserves its rights under RCW 70.105D, including the right to require additional or different remedial actions at the Facility 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 Facility.

By entering into this Order, the PLPs do not admit to any liability for the Facility. Although the PLPs are committing to conducting the work required by this Order under the terms of this Order, the PLPs expressly reserve all rights available under law, including but not

limited to the right to seek cost recovery or contribution against third parties, and the right to assert any defenses to liability in the event of enforcement.

M. Transfer of Interest in Property

No voluntary conveyance or relinquishment of title, easement, leasehold, or other interest in any portion of the Facility shall be consummated by the PLPs 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 the PLPs' transfer of any interest in all or any portion of the Facility, and during the effective period of this Order, the PLPs 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, the PLPs shall notify Ecology of said transfer. Upon transfer of any interest, the PLPs shall notify all transferees of the restrictions on the activities and uses of the property under this Order and incorporate any such use restrictions into the transfer documents.

O. Compliance with Applicable Laws

1. All actions carried out by the PLPs 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), the PLPs are exempt from the procedural requirements of RCW 70.94, 70.95, 77.55, 90.48, and 90.58 and of any laws requiring or authorizing local government permits or approvals. However, the PLPs 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.

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

P. Financial Assurance

1. Financial assurance for corrective action is required by WAC 173-303-64620. Ecology's Financial Assurance Officer shall determine when the PLPs' actions and submissions meet the requirements of WAC 173-303-64620.

2. Ecology's Financial Assurance Officer is:

Kimberly Goetz
Washington State Department of Ecology
P.O. Box 47600
Olympia, WA 98504-7600
Phone: (360) 407-6754
Fax: (360) 407-6715
Email: kgoe461@ecy.wa.gov

Q. Indemnification

The PLPs agree to indemnify and save and hold the State of Washington, its employees, and agents harmless from any and all claims or causes of action (1) for death or injuries to persons, or (2) for loss or damage to property to the extent arising from or on account of acts or omissions of the PLPs, its officers, employees, agents, or contractors in entering into and implementing this Order. However, the PLPs 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 the PLPs' receipt of written notification from Ecology that the PLPs have completed the corrective actions required by this Order, as amended by any modifications, and that the PLPs have complied with all other provisions of this 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 Facility.

C. A liable party who refuses, without sufficient cause, to comply with any term of this Order will be liable for:

1. 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

2. 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: _____

PRS GROUP, INC.

STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

Tom Smith
President
PRS Group, Inc.
Telephone: 206/255-7509

Ava Edmonson
Section Manager
Hazardous Waste and Toxics Reduction
Program
Southwest Regional Office
Telephone: 360/407-6337

PETROLEUM RECLAIMING SERVICE, INC.

Tom Smith
President
Petroleum Reclaiming Service, Inc.
Telephone: 206/255-7509

TOM SMITH

Tom Smith
PRS Group, Inc.
Telephone: 206/255-7509

GARY SMITH

Gary Smith
PRS Group, Inc.
Telephone: 253/383-4175