



STATE OF WASHINGTON  
DEPARTMENT OF ECOLOGY

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February 22, 2016

Mr. Eron Berg  
City Supervisor/Attorney  
City Of Sedro-Woolley  
325 Metcalf Street  
Sedro-Woolley, WA 98284

**Re: Notice of Potential Liability under the Model Toxics Control Act for the Release of Hazardous Substances at the Following Hazardous Waste Site:**

- Name: **Chevron USA Inc. SS 97502**
- Previous Address: 124 Ferry St., Sedro-Woolley, WA 98284
- Current Address: 640 Metcalf Street, Sedro-Woolley, WA 98284
- County Assessor's Parcel Number(s): P77454, P77455, P77456, P112800, P112801
- Facility/Site No.: 61112475
- Cleanup Site No.: 6368
- VCP ID No.: NW1452

Dear Mr. Berg:

Under the Model Toxics Control Act (MTCA), chapter 70.105D RCW, which governs the cleanup of hazardous waste sites in Washington State, the Department of Ecology (Ecology) may identify persons that it finds are liable for the release of hazardous substances at a site. Before making such a finding, Ecology must provide persons with notice and an opportunity to comment on the proposed finding. Any person whom Ecology finds, based on credible evidence, to be liable is known as a "potentially liable person" or "PLP".

**Proposed Finding of Liability**

Based on credible evidence, Ecology is proposing to find the City of Sedro-Woolley liable under RCW 70.105D.040 for the release of hazardous substances at the **Chevron USA Inc. SS 97502** facility (Site). This proposed finding is based on the following evidence:

1. The City of Sedro-Woolley is the current owner of the above parcels.



2. Chevron Service Station 97502 was in operation until 1991. According to Skagit County Department of Emergency Management records, unleaded gasoline was spilled at the Site on July 25, 1989. The spilled gasoline flowed east from the tank fill area to Metcalf Street, migrating south down the Metcalf Street gutter to Ferry Street and entered a catch basin at the northwest corner of Metcalf and Ferry streets.
3. The latest Ground Water Monitoring and Sampling Report, dated February 19, 2014, showed gasoline range petroleum hydrocarbons and BTEX exceeding MTCA Method A cleanup levels in ground water at the Site. The report also details ground water plume extending beyond the property boundary in a southerly direction.
4. In 1992 and 2000 Chevron USA Inc. entered into agreements with the City of Sedro-Woolley to remediate the Site, which is enclosure 4 of this letter.

### **Opportunity to Respond to Proposed Finding of Liability**

In response to Ecology's proposed finding of liability, you may either:

1. Accept your status as a PLP without admitting liability and expedite the process through a voluntary waiver of your right to comment. This may be accomplished by signing and returning the enclosed form or by sending a letter containing similar information to Ecology;
2. Challenge your status as a PLP by submitting written comments to Ecology within thirty (30) calendar days of the date you receive this letter; or
3. Choose not to comment on your status as a PLP.

Please submit your waiver or written comments to the following address:

Dale Myers  
Toxics Cleanup Program  
Department of Ecology  
3190 160th Avenue SE  
Bellevue, WA 98008

After reviewing any comments submitted or after 30 days if no response has been received, Ecology will make a final determination regarding your status as a PLP and provide you with written notice of that determination.

### **Identification of Other Potentially Liable Persons**

Ecology has notified the following additional party that they are PLPs for the release of hazardous substances at the Site:

Chevron Environmental Management Company  
Marketing Business Unit  
6101 Bollinger Canyon Road  
BR1X – Room 5315  
San Ramon, CA 94583

If you are aware of any other persons who may be liable for the release of hazardous substances at the Site, Ecology encourages you to provide us with their identities and the reason you believe they are liable. Ecology also suggests you contact these other persons to discuss how you can jointly work together to most efficiently clean up the Site.

### **Responsibility and Scope of Potential Liability**

Please note that Ecology may either conduct or require PLPs to conduct remedial actions to investigate and clean up the release of hazardous substances at a site. PLPs are encouraged to initiate discussions and negotiations with Ecology and the Office of the Attorney General that may lead to an agreement on the remedial action to be conducted.

Please also note that each liable person is strictly liable, jointly and severally, for all remedial action costs and for all natural resource damages resulting from the release of hazardous substances at a site. If Ecology incurs remedial action costs in connection with the investigation or cleanup of real property and those costs are not reimbursed, then Ecology has the authority under RCW 70.105D.055 to file a lien against that real property to recover those costs.

### **Next Steps in Cleanup Process**

In response to the release of hazardous substances at the Site, Ecology intends to conduct the following actions under MTCA:

1. Conduct a Site Hazard Assessment;
2. Negotiate an Agreed Order to complete the Remedial Investigation, Feasibility Study and Draft Cleanup Action Plan to remediate the Site.

For a description of the process for cleaning up a hazardous waste site under MTCA, please refer to the enclosed fact sheet.

Ecology's policy is to work cooperatively with PLPs to accomplish the prompt and effective cleanup of hazardous waste sites. Please note that your cooperation in planning or conducting remedial actions at the Site is not an admission of guilt or liability.

Mr. Eron Berg  
February 22, 2016  
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**Contact Information**

If you have any questions regarding this letter or if you would like additional information regarding the cleanup of hazardous waste sites, please contact me at (425) 649-4446 or by email at dale.myers@ecy.wa.gov. Thank you for your cooperation.

Sincerely,



Dale Myers  
Toxics Cleanup Program

Enclosures: Focus: Model Toxics Control Act Cleanup Regulation: Process for  
Cleanup of Hazardous Waste Sites (Pub. No. #94-129)  
Voluntary Waiver of Right to Comment Form  
Site Map  
Agreement Between the City of Sedro-Woolley and Chevron Products Company  
Respecting Cleanup of Real Property Located in Sedro-Woolley, Skagit County,  
Washington

By Certified Mail [7012 3460 0000 2587 2722]

cc: Mark Freiburger, City of Sedro Woolley  
Eric Hetrick, Chevron Environmental Management Company

ecc: Allyson Bazan, AAG  
Dale Myers, Ecology  
Mary O'Herron, Ecology



# Focus

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## Model Toxics Control Act Cleanup Regulation: Process for Cleanup of Hazardous Waste Sites

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In March of 1989, an innovative, citizen-mandated toxic waste cleanup law went into effect in Washington, changing the way hazardous waste sites in this state are cleaned up. Passed by voters as Initiative 97, this law is known as the Model Toxics Control Act, chapter 70.105D RCW. This fact sheet provides a brief overview of the process for the cleanup of contaminated sites under the rules Ecology adopted to implement that Act (chapter 173-340 WAC).

### How the Law Works

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The cleanup of hazardous waste sites is complex and expensive. In an effort to avoid the confusion and delays associated with the federal Superfund program, the Model Toxics Control Act is designed to be as streamlined as possible. It sets strict cleanup standards to ensure that the quality of cleanup and protection of human health and the environment are not compromised. At the same time, the rules that guide cleanup under the Act have built-in flexibility to allow cleanups to be addressed on a site-specific basis.

The Model Toxics Control Act funds hazardous waste cleanup through a tax on the wholesale value of hazardous substances. The tax is imposed on the first in-state possessor of hazardous substances at the rate of 0.7 percent, or \$7 per \$1,000. Since its passage in 1988, the Act has guided the cleanup of thousands of hazardous waste sites that dot the Washington landscape. The Washington State Department of Ecology's Toxic Cleanup Program ensures that these sites are investigated and cleaned up.

### What Constitutes a Hazardous Waste Site?

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Any owner or operator who has information that a hazardous substance has been released to the environment at the owner or operator's facility and may be a threat to human health or the environment must report this information to the Department of Ecology (Ecology). If an "initial investigation" by Ecology confirms further action (such as testing or cleanup) may be necessary, the facility is entered onto either Ecology's "Integrated Site Information System" database or "Leaking Underground Storage Tank" database. These are computerized databases used to track progress on all confirmed or suspected contaminated sites in Washington State. All confirmed sites that have not been already voluntarily cleaned up are ranked and placed on the state "Hazardous Sites List." Owners, operators, and other persons known to be potentially liable for the cleanup of the site will receive an "Early Notice Letter" from Ecology notifying them that their site is suspected of needing cleanup, and that it is Ecology's policy to work cooperatively with them to accomplish prompt and effective cleanup.

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## Who is Responsible for Cleanup?

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Any past or present relationship with a contaminated site may result in liability. Under the Model Toxics Control Act a potentially liable person can be:

- A current or past facility owner or operator.
- Anyone who arranged for disposal or treatment of hazardous substances at the site.
- Anyone who transported hazardous substances for disposal or treatment at a contaminated site, unless the facility could legally receive the hazardous materials at the time of transport.
- Anyone who sells a hazardous substance with written instructions for its use, and abiding by the instructions results in contamination.

In situations where there is more than one potentially liable person, each person is jointly and severally liable for cleanup at the site. That means each person can be held liable for the entire cost of cleanup. In cases where there is more than one potentially liable person at a site, Ecology encourages these persons to get together to negotiate how the cost of cleanup will be shared among all potentially liable persons.

Ecology must notify anyone it knows may be a “potentially liable person” and allow an opportunity for comment before making any further determination on that person’s liability. The comment period may be waived at the potentially liable person’s request or if Ecology has to conduct emergency cleanup at the site.

## Achieving Cleanups through Cooperation

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Although Ecology has the legal authority to order a liable party to clean up, the department prefers to achieve cleanups cooperatively. Ecology believes that a non-adversarial relationship with potentially liable persons improves the prospect for prompt and efficient cleanup. The rules implementing the Model Toxics Control Act, which were developed by Ecology in consultation with the Science Advisory Board (created by the Act), and representatives from citizen, environmental and business groups, and government agencies, are designed to:

- Encourage independent cleanups initiated by potentially liable persons, thus providing for quicker cleanups with less legal complexity.
- Encourage an open process for the public, local government and liable parties to discuss cleanup options and community concerns.
- Facilitate cooperative cleanup agreements rather than Ecology-initiated orders. *Ecology can, and does, however use enforcement tools in emergencies or with recalcitrant potentially liable persons.*

## What is the Potentially Liable Person’s Role in Cleanup?

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The Model Toxics Control Act requires potentially liable persons to assume responsibility for cleaning up contaminated sites. For this reason, Ecology does not usually conduct the actual cleanup when a potentially liable person can be identified. Rather, Ecology oversees the cleanup of sites to ensure that investigations, public involvement and actual cleanup and monitoring are done appropriately. Ecology’s costs of this oversight are required to be paid by the liable party.

When contamination is confirmed at the site, the owner or operator may decide to proceed with cleanup without Ecology assistance or approval. Such “independent cleanups” are

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allowed under the Model Toxics Control Act under most circumstances, but must be reported to Ecology, and are done at the owner's or operator's own risk. Ecology may require additional cleanup work at these sites to bring them into compliance with the state cleanup standards. Most cleanups in Washington are done independently.

Other than local governments, potentially liable persons conducting independent cleanups do not have access to financial assistance from Ecology. Those who plan to seek contributions from other persons to help pay for cleanup costs need to be sure their cleanup is "the substantial equivalent of a department-conducted or department-supervised remedial action." Ecology has provided guidance on how to meet this requirement in WAC 173-340-545. Persons interested in pursuing a private contribution action on an independent cleanup should carefully review this guidance prior to conducting site work.

### **Working with Ecology to Achieve Cleanup**

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Ecology and potentially liable persons often work cooperatively to reach cleanup solutions. Options for working with Ecology include formal agreements such as consent decrees and agreed orders, and seeking technical assistance through the Voluntary Cleanup Program. These mechanisms allow Ecology to take an active role in cleanup, providing help to potentially liable persons and minimizing costs by ensuring the job meets state standards the first time. This also minimizes the possibility that additional cleanup will be required in the future – providing significant assurances to investors and lenders.

Here is a summary of the most common mechanisms used by Ecology:

- **Voluntary Cleanup Program:** Many property owners choose to cleanup their sites independent of Ecology oversight. This allows many smaller or less complex sites to be cleaned up quickly without having to go through a formal process. A disadvantage to property owners is that Ecology does not approve the cleanup. This can present a problem to property owners who need state approval of the cleanup to satisfy a buyer or lender.  
  
One option to the property owner wanting to conduct an independent cleanup yet still receive some feedback from Ecology is to request a technical consultation through Ecology's Voluntary Cleanup Program. Under this voluntary program, the property owner submits a cleanup report with a fee to cover Ecology's review costs. Based on the review, Ecology either issues a letter stating that the site needs "No Further Action" or identifies what additional work is needed. Since Ecology is not directly involved in the site cleanup work, the level of certainty in Ecology's response is less than in a consent decree or agreed order. However, many persons have found a "No Further Action" letter to be sufficient for their needs, making the Voluntary Cleanup Program a popular option.
- **Consent Decrees:** A consent decree is a formal legal agreement filed in court. The work requirements in the decree and the terms under which it must be done are negotiated and agreed to by the potentially liable person, Ecology and the state Attorney General's office. Before consent decrees can become final, they must undergo a public review and comment period that typically includes a public hearing. Consent decrees protect the potentially liable person from being sued for "contribution" by other persons that incur cleanup expenses at the site while facilitating any contribution claims against the other persons when they are responsible for part of the cleanup costs. Sites cleaned up under a consent decree are also exempt from having to obtain certain state and local permits that could delay the cleanup.

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- **De Minimus Consent Decree:** Landowners whose contribution to site contamination is “insignificant in amount and toxicity” may be eligible for a de minimus consent decree. In these decrees, landowner typically settle their liability by paying for some of the cleanup instead of actually conducting the cleanup work. Ecology usually accepts a de minimus settlement proposal only if the landowner is affiliated with a larger site cleanup that Ecology is currently working on.
  - **Prospective Purchaser Consent Decree:** A consent decree may also be available for a “prospective purchaser” of contaminated property. In this situation, a person who is not already liable for cleanup and wishes to purchase a cleanup site for redevelopment or reuse may apply to negotiate a prospective purchaser consent decree. The applicant must show, among other things, that they will contribute substantial new resources towards the cleanup. Cleanups that also have a substantial public benefit will receive a higher priority for prospective purchaser agreements. If the application is accepted, the requirements for cleanup are negotiated and specified in a consent decree so that the purchaser can better estimate the cost of cleanup before buying the land.
  - **Agreed Orders:** Unlike a consent decree, an agreed order is not filed in court and is not a settlement. Rather, it is a legally binding administrative order issued by Ecology and agreed to by the potentially liable person. Agreed orders are available for remedial investigations, feasibility studies, and final cleanups. An agreed order describes the site activities that must occur for Ecology to agree not to take enforcement action for that phase of work. As with consent decrees, agreed orders are subject to public review and offer the advantage of facilitating contribution claims against other persons and exempting cleanup work from obtaining certain state and local permits.

## **Ecology-Initiated Cleanup Orders**

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Administrative orders requiring cleanup activities without an agreement with a potentially liable person are known as **enforcement orders**. These orders are usually issued to a potentially liable person when Ecology believes a cleanup solution cannot be achieved expeditiously through negotiation or if an emergency exists. If the responsible party fails to comply with an enforcement order, Ecology can clean up the site and later recover costs from the responsible person(s) at up to three times the amount spent. The state Attorney General’s Office may also seek a fine of up to \$25,000 a day for violating an order. Enforcement orders are subject to public notification.

## **Financial Assistance**

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Each year, Ecology provides millions of dollars in grants to local governments to help pay for the cost of site cleanup. In general, such grants are available only for sites where the cleanup work is being done under an order or decree. Ecology can also provide grants to local governments to help defray the cost of replacing a public water supply well contaminated by a hazardous waste site. Grants are also available for local citizen groups and neighborhoods affected by contaminated sites to facilitate public review of the cleanup. See Chapter 173-322 WAC for additional information on grants to local governments and Chapter 173-321 WAC for additional information on public participation grants.

## **Public Involvement**

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Public notices are required on all agreed orders, consent decrees, and enforcement orders. Public notification is also required for all Ecology-conducted remedial actions.



Ecology's Site Register is a widely used means of providing information about cleanup efforts to the public and is one way of assisting community involvement. The Site Register is published every two weeks to inform citizens of public meetings and comment periods, discussions or negotiations of legal agreements, and other cleanup activities. The Site Register can be accessed on the Internet at: [www.ecy.wa.gov/programs/tcp/pub\\_inv/pub\\_inv2.html](http://www.ecy.wa.gov/programs/tcp/pub_inv/pub_inv2.html).

## How Sites are Cleaned Up

The rules describing the cleanup process at a hazardous waste site are in chapter 173-340 WAC. The following is a general description of the steps taken during the cleanup of an average hazardous waste site. Consult the rules for the specific requirements for each step in the cleanup process.

**1. Site Discovery:** Sites where contamination is found must be reported to Ecology's Toxics Cleanup Program within 90 days of discovery, unless it involves a release of hazardous materials from an underground storage tank system. In that case, the site discovery must be reported to Ecology within 24 hours. At this point, potentially liable persons may choose to conduct independent cleanup without assistance from the department, but cleanup results must be reported to Ecology.

**2. Initial Investigation:** Ecology is required to conduct an initial investigation of the site within 90 days of receiving a site discovery report. Based on information obtained about the site, a decision must be made within 30 days to determine if the site requires additional investigation, emergency cleanup, or no further action. If further action is required under the Model Toxics Control Act, Ecology sends early notice letters to owners, operators and other potentially liable persons inviting them to work cooperatively with the department.

**4. Hazard Ranking:** The Model Toxics Control Act requires that sites be ranked according to the relative health and environmental risk each site poses. Working with the Science Advisory Board, Ecology created the Washington Ranking Method to categorize sites using data from site hazard assessments. Sites are ranked on a scale of 1 to 5. A score of 1 represents the highest level of risk and 5 the lowest. Ranked sites are placed on the state Hazardous Sites List.

**3. Site Hazard Assessment:** A site hazard assessment is conducted to confirm the presence of hazardous substances and to determine the relative risk the site poses to human health and the environment.

**5. Remedial Investigation/Feasibility Study:** A remedial investigation and feasibility study is conducted to define the extent and magnitude of contamination at the site. Potential impacts on human health and the environment and alternative cleanup technologies are also evaluated in this study. Sites being cleaned up by Ecology or by potentially liable persons under a consent decree, agreed order or enforcement order are required to provide for a 30 day public review before finalizing the report.

**6. Selection of Cleanup Action:** Using information gathered during the study, a cleanup action plan is developed. The plan identifies preferred cleanup methods and specifies cleanup standards and other requirements at the site. A draft of the plan is subject to public review and comment before it is finalized.

**7. Site Cleanup:** Actual cleanup begins when the cleanup action plan is implemented. This includes design, construction, operation and monitoring of cleanup actions. A site may be taken off the Hazardous Sites List after cleanup is completed and Ecology determines cleanup standards have been met.

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## For More Information / Special Accommodation Needs

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If you would like more information about the state Model Toxics Control Act, please call us toll-free at **1-800-826-7716**, or contact your regional Washington State Department of Ecology office listed below. Information about site cleanup, including a listing of ranked hazardous waste sites, is also accessible through our Internet address:

<http://www.ecy.wa.gov/programs/tcp/cleanup.html>

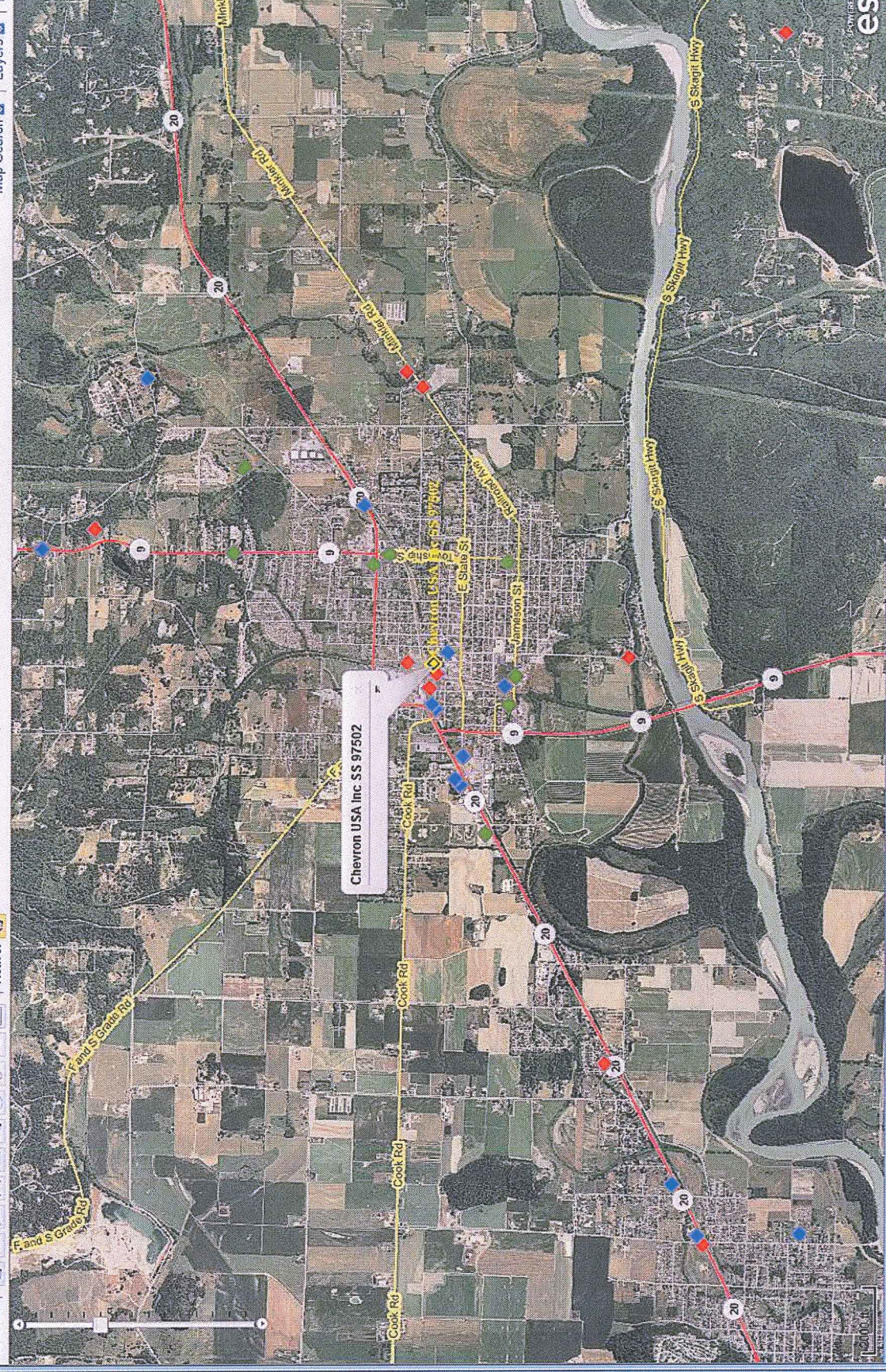
- **Northwest Regional Office** 425/649-7000  
(Island, King, Kitsap, San Juan, Skagit, Snohomish, Whatcom Counties)
- **Southwest Regional Office** 360/407-6300  
(Southwestern Washington, Olympic Peninsula, Pierce, Thurston and Mason Counties)
- **Central Regional Office** 509/575-2490  
(Benton, Chelan, Douglas, Kittitas, Klickitat, Okanogan, Yakima Counties)
- **Eastern Regional Office** 509/329-3400  
(Adams, Asotin, Columbia, Ferry, Franklin, Garfield, Grant, Lincoln, Pend Oreille, Spokane, Stevens, Walla Walla, Whitman Counties)

*If you need this publication in an alternative format, please contact the Toxics Cleanup Program at (360) 407-7170. Persons with a hearing loss can call 711 for the Washington Relay Service. Persons with a speech disability can call 877-833-6341.*

**Disclaimer Notice:** This fact sheet is intended to help the user understand the Model Toxics Control Act Cleanup Regulation, chapter 173-340 WAC. It does not establish or modify regulatory requirements.

TCP - ISIS Map Search

Tools Active:



Show Results

Facility Site Details

Cleanup Site Details

**Chevron USA Inc SS 97502**

Status Cleanup Started

Manager Vicki Heather

Resp. Unit Northwest

Owner Private

Latitude MTCA

CP Project NW1452

Cleanup Unit - Upland

Status Cleanup Started

Process Voluntary Cleanup Program

Nearby Cleanup Sites

Web Reports

EIM Stations

Land

303d

Water

map	FS-ID	Facility Name	Address	City	Zip	Status
	61112475	Chevron USA Inc SS 97502	124 Ferry St	Sedro-Woolley	98284	Cleanup Started

Search Success. Found 1 Cleanup Sites



MR. ERON BERG  
CITY SUPERVISOR/ATTORNEY  
CITY OF SEDRO-WOOLLEY  
325 METCALF STREET  
SEDRO-WOOLLEY, WA 98284

Pursuant to WAC 173-340-500 and WAC 173-340-520(1)(b)(i), I (NAME) \_\_\_\_\_,  
a duly authorized representative of the City of Sedro-Woolley, do hereby waive the right to the  
thirty- (30) day notice and comment period described in WAC 173-340-500(3) and accept status  
of the City of Sedro-Woolley as a Potentially Liable Person at the following site:

- Name: **Chevron USA Inc. SS 97502**
- Previous Address: 124 Ferry ST, Sedro-Woolley, WA 98284
- Current Address: 640 Metcalf Street, Sedro-Woolley, WA 98284
- County Assessor's Parcel Number(s) P77454, P77455, P77456, P112800,  
P112801
- Facility/Site No.: 61112475
- Cleanup Site No.: 6368
- VCP ID No.: NW1452

By waiving this right, the City of Sedro-Woolley makes no admission of liability.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

Relation to the Site (that is, owner or operator)





200007260035  
Kathy Hill, Skagit County Auditor  
7/26/2000 Page 1 of 10 10:05:53AM

RETURN TO:

Patrick M. Hayden  
Attorney at Law  
P. O. Box 454  
Sedro-Woolley, WA 98284

DOCUMENT TITLE(S) (or transactions contained herein):

**AGREEMENT BETWEEN THE CITY OF SEDRO-WOOLLEY AND CHEVRON PRODUCTS COMPANY (A DIVISION OF CHEVRON USA, INC.) RESPECTING CLEAN UP OF REAL PROPERTY LOCATED IN SEDRO-WOOLLEY, SKAGIT COUNTY, WASHINGTON**

REFERENCE NUMBER(S) OF DOCUMENTS ASSIGNED OR RELEASED:

GRANTOR(S) (Last name, first name and initials):

- 1. Chevron, USA, Inc.
- 2. City of Sedro-Woolley

Duplicate  
ORIGINAL

GRANTEE(S) (Last name, first name and initials):

- 1. City of Sedro-Woolley
- 2. Chevron, USA, Inc.

LEGAL DESCRIPTION (Abbreviated: i.e., lot, block, plat or quarter, quarter, section, township and range).

**Lots 11, 12, and 13, all in Block 2, "PLAT OF THE TOWN OF WOOLLEY", according to the plat thereof recorded in Volume 2 of Plats, Page 92, records of Skagit County, Washington.**

**Situated in the County of Skagit, State of Washington.**

ASSESSOR'S PARCEL/TAX I.D. NUMBER: R77455 / R77456/ R112800 / R112801

[ ] TAX PARCEL NUMBER(S) FOR ADDITIONAL LEGAL(S) ON PAGE [ ] OF DOCUMENT

UNOFFICIAL DOCUMENT

**AGREEMENT BETWEEN THE CITY OF SEDRO-WOOLLEY AND CHEVRON PRODUCTS COMPANY (A DIVISION OF CHEVRON USA, INC.) RESPECTING CLEAN UP OF REAL PROPERTY LOCATED IN SEDRO-WOOLLEY, SKAGIT COUNTY, WASHINGTON**

This Agreement is entered into by and between the City of Sedro-Woolley, a Washington municipal corporation (hereinafter the "City") and Chevron Products Company a division of Chevron U.S.A. Inc., a California Corporation (hereinafter "Chevron").

WHEREAS, Standard Oil Company of California, the predecessor of Chevron U.S.A. Inc., leased real property located at 124 Ferry Road, Sedro Woolley, Washington, and as more particularly described herein, for the use as a retail service station location (hereinafter the "Property"); and

WHEREAS, petroleum hydrocarbon contamination originating from retail service station operations ("Contamination") was discovered to be present on the Property; and

WHEREAS, Chevron entered into an Environmental Agreements with The Hammer Group and Albert W. and Janice Fredlund, as owners of the Property, whereby it agreed to take such action relating to the Contamination as may be required by government agencies, including but not limited to the Washington Department of Ecology ("WDOE"), with jurisdiction over the Property; and

WHEREAS, pursuant to the above-referenced Environmental Agreement, Chevron has performed assessment and remedial work on the Property, is presently conducting groundwater monitoring activities, and Chevron will continue to need access to the Property to perform its monitoring and remediation obligations under the terms of the Environmental Agreement; and

WHEREAS, the City has acquired the Property from Fredlund and the Sedro-Woolley Chamber of Commerce; and

WHEREAS, the City intends to construct a municipal park on the Property which is compatible with the performance of Chevron's remedial obligations under the Environmental Agreement; and

WHEREAS, it is in the interest of both Chevron and the City to enter into an agreement which accommodates both the development of the Property as a park and Chevron's future remedial obligations;

**NOW THEREFORE**, the parties hereto agree as follows:



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Kathy Hill, Skagit County Auditor  
7/26/2000 Page: 2 of 10 10:05:53AM



1. **Parties.** The parties to this agreement are:

- a. the CITY OF SEDRO-WOOLLEY, a Washington municipal corporation.
- b. CHEVRON PRODUCTS COMPANY, a division of CHEVRON U.S.A INC.

2. **Term.** The term of this agreement is for a period of twenty-five (25) years, from June 1, 2000 to June 1, 2025. In the event Chevron has a continuing cleanup obligation at the expiration of the term of this Agreement, the parties shall negotiate an extension of this Agreement, provided, that the clean-up obligations of the parties as set forth in paragraph 4 shall survive the term of this agreement.

3. **Real Property.** This Agreement concerns real property situated in Skagit County, Washington, described as follows:

Lots 11, 12, and 13, all in Block 2, "PLAT OF THE TOWN OF WOOLLEY", according to the plat thereof recorded in Volume 2 of Plats, page 92, records of Skagit County, Washington.

The real property is illustrated on the map attached hereto as Exhibit A.

4. **Obligations of the Parties.** City and Chevron reaffirm the provisions contained in the Environmental Agreement dated February 19, 1992, between Chevron U.S.A. Inc. and the Hammer Group, and agree to be bound by the terms thereof respecting the real property described above. Nothing contained in this Agreement is intended to alter, expand, terminate, release or diminish the obligation and rights of Chevron and City regarding the Contamination which is present on the Property, except as expressly set forth herein and in the Environmental Agreement. Except as expressly set forth herein and in the above-referenced Environmental Agreement, the parties hereto reserve all rights, claims, and defenses they may have respecting the Contamination. A copy of the Environmental Agreement and all attachments are appended hereto for reference as Exhibit B.

5. **Environmental Condition of Property and Remedial Plan.** City acknowledges that the remedial activities being undertaken by Chevron on the Property have been performed on a voluntary basis, and that Chevron contends that the presence of the Contamination does not present an unacceptable health and safety risk if permitted to remain in place. Further, City acknowledges herein, that Chevron intends to leave the identified soil Contamination in place and intends to rely upon natural attenuation to passively remediate the Contamination over time. Chevron reaffirms its obligation under the terms of this Agreement and the above-referenced Environmental Agreement to take such action as may be required by WDOE or other government agency with jurisdiction regarding the soil Contamination, which it intends to leave in place to the extent allowed by law.

6. **Chevron's Remedial Obligation.** Chevron agrees that so long as



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Kathy Hill, Skagit County Auditor

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Contamination remains present on the Property in soil and /or groundwater in concentrations in excess of mandatory clean-up levels as defined by the Washington Model Toxic Control Act, Chevron shall remain obligated to take such action as may be directed by WDOE, and shall continue to hold harmless and indemnify City against any obligation to perform the directives of the WDOE relating to said Contamination.

7. **Chevron's Access to the Property.** City agrees to provide Chevron with such access to the Property as it reasonably needs to perform its monitoring and remedial obligations relating to the Contamination. Chevron hereby agrees to limit its access to and activities undertaken on the Property to carry out its obligations hereunder.

8. **Restriction on City's Use of the Property.** City agrees for a period of twenty-five (25) years that the Property shall be used only for the purposes of a municipal park, or other similar municipal use, said period commencing on the date of June 1, 2000, and continuing until the date of June 1, 2025. During said period the City shall have the right to use the property for said purpose, subject and subordinate only to Chevron's rights of access set forth at Paragraph 7 above.

9. **Technical Assistance and Design.** Chevron shall provide such reasonable technical assistance to the City as will assist in the design and construction of a park facility on the Property in a manner which will accommodate the future remediation and monitoring of the Contamination by Chevron as described in Paragraphs 4. through 6. above.

10. **Future Work.** Chevron shall retain the right to inspect, modify, remove, and or alter the park facilities constructed by the City on the Property, to facilitate the performance of its monitoring and remedial obligations; provided that Chevron shall restore at its sole cost and expense, such park facilities as were impacted by Chevron's activities to the condition which existed immediately prior to the commencement of Chevron's activities, said repairs and/or replacement impacted park facilities to be completed as soon as practicable after the conclusion of Chevron's activities on the Property.

11. **Payment by Chevron to the City.** Chevron agrees to pay and shall pay to the City a single one-time payment of Seventy Thousand Dollars (\$70,000.00) as compensation for the use of the Property to perform its monitoring and remedial obligations hereunder, and as full, complete and final satisfaction of its obligation to pay any access fees to City under the terms of the Environmental Agreement. The City agrees, upon receipt of the above-referenced sum, to release Chevron from any obligation to pay access fees for the twenty-five (25) year period specified in Paragraph 2 above.

12. **Binding on Successors.** This Agreement shall be recorded with the Skagit County Auditor, and shall be binding upon the heirs, devisees, and successors-in-interest of the parties.



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13. **Enforcement.** This Agreement may be enforced by specific performance or injunctive relief, as well as any other remedy available in law or equity.

14. **Venue and Jurisdiction.** Venue and jurisdiction over the parties and the subject matter of any dispute arising from this Agreement shall be in the Superior Court of Washington for Skagit County, at Mount Vernon, Washington.

Dated: 7/21, 2000.

CHEVRON PRODUCTS COMPANY, a division  
of CHEVRON U.S.A. INC.

By: [Signature]

Title: Assistant Secretary

Dated: \_\_\_\_\_, 2000.

CITY OF SEDRO-WOOLLEY, a municipal  
Corporation

[Signature: Sharon D. Dillon]  
MAYOR

[Signature: Eric R. Stordal]  
CITY SUPERVISOR

Approved as to form:

[Signature]  
CITY ATTORNEY



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STATE OF WASHINGTON )  
 ) SS.  
COUNTY OF SKAGIT )

On this day personally appeared before me Sharon Dillon and Eric Stendal, to me known to be the Mayor and City Clerk, respectively, of the City of Sedro-Woolley, the municipal corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said municipal corporation, for the uses and purposes therein mentioned, and on oath stated that they authorized to execute the said instrument and that the seal affixed is the corporate seal of said municipal corporation.

GIVEN under my hand and official seal this 13 day of July, 2000.

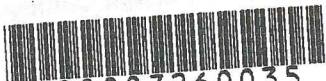
Notary Public in and for the State of  
Washington, residing at Sedro Woolley  
My Commission Expires: 10-1-2003  
Print Name Patrick M. Hayden

STATE OF CALIFORNIA )  
 ) SS.  
COUNTY OF Central

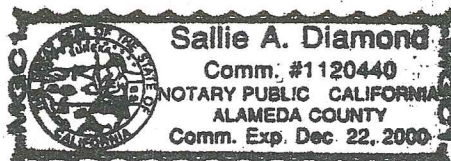
On this day personally appeared before me (name: Sally D. T. Sherman)  
to me known to be the (title: Assistant Secretary), an authorized agent of  
CHEVRON PRODUCTS COMPANY, a division of CHEVRON U.S.A INC., the  
corporation that executed the foregoing instrument, and acknowledged the said  
instrument to be the free and voluntary act and deed of said corporation, for the uses and  
purposes therein mentioned, and on oath stated that they authorized to execute the said  
instrument and that the seal affixed is the corporate seal of said corporation.

GIVEN under my hand and official seal this 21 day of July, 2000.

Notary Public in and for the State of  
Washington, residing at 6001 Collier Canyon SE 94583  
My Commission Expires: 12/22/00  
Print Name Sallie A Diamond  
Print Name \_\_\_\_\_



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ENVIRONMENTAL AGREEMENT

This Agreement is entered into as of the 18 day of February, 1992, by and between CHEVRON U.S.A. INC., a Pennsylvania corporation ("Chevron"), and The Hammer Group ("Owner").

WHEREAS, The Hammer Group and Albert W. and Janice Fredlund are the owners of certain real property located at 124 Ferry Road, Sedro Woolley, Washington 98284 (the "Property"); and

WHEREAS, Chevron is the lessee of the Property; and

WHEREAS, Chevron has operated through its sublease dealer a retail service station on the Property; and

WHEREAS, motor fuel hydrocarbon contamination may have resulted from Chevron's service station operations; and

WHEREAS, the parties wish to provide for necessary investigation and/or clean-up of such motor fuel hydrocarbon contamination;

IT IS THEREFORE AGREED AS FOLLOWS:

1. Clean-up

Chevron shall, at its sole cost and expense, perform or cause to be performed such investigation, monitoring and/or clean-up of the motor fuel hydrocarbon contamination on the Property (to the extent said contamination was caused by or resulted from Chevron's retail service station) as may be validly directed by the governmental agencies having jurisdiction (collectively "agencies"). Chevron's obligations under this Agreement shall cease when the directives of such agencies have been satisfied.

2. Manner of Performance

Chevron shall perform such investigation, monitoring and/or clean-up activities in a manner and at times that will not unreasonably interfere with Owner's use of the Property.

3. Access to Property

Owner shall provide Chevron with access to the Property for the purpose of such investigation, monitoring and/or clean-up.

In furtherance thereof, Owner shall, on or before January 31, 1992, execute an easement in the form of Exhibit "A" attached hereto and incorporated herein by this reference, and deliver such easement to Chevron.

Exhibit B

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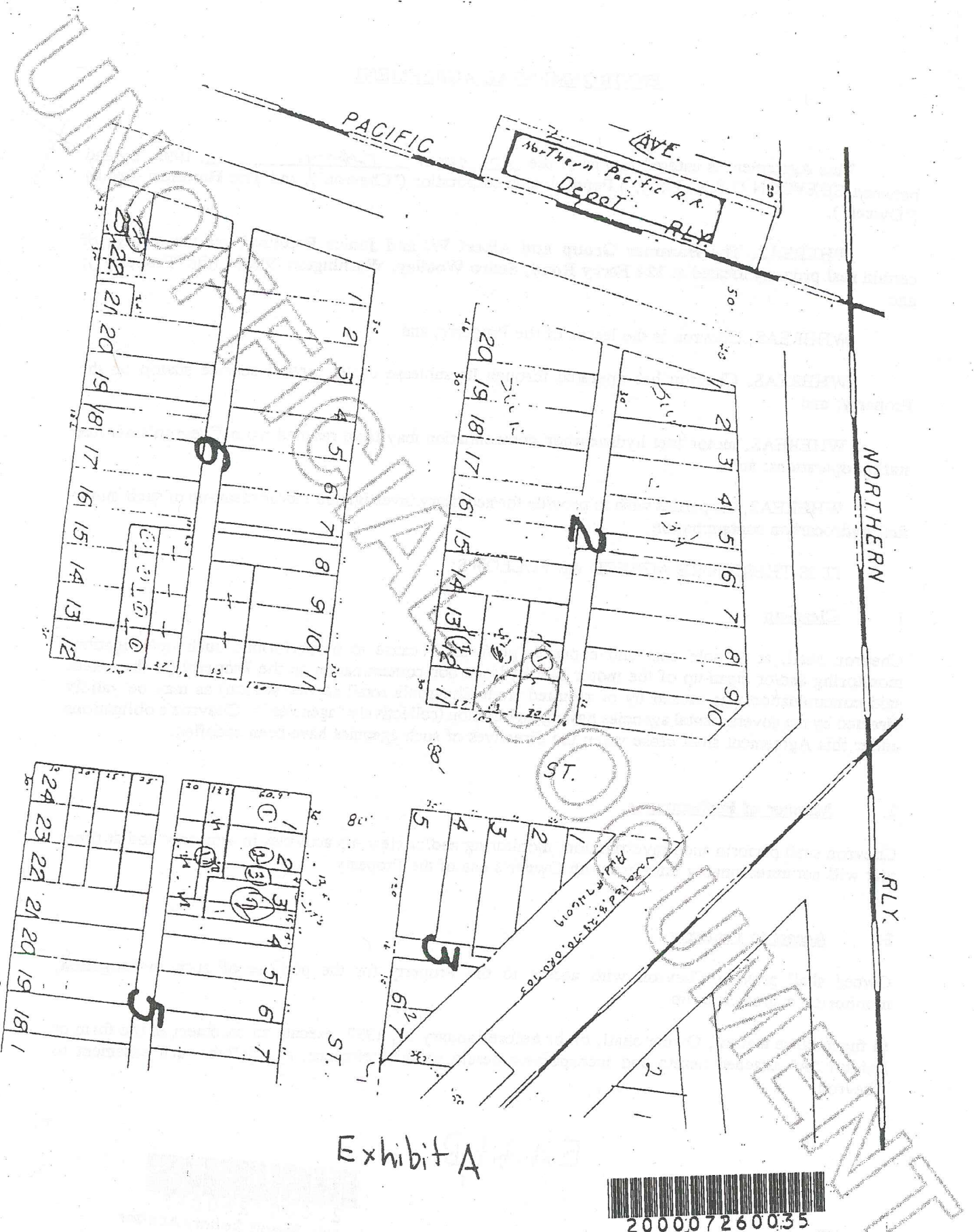


Exhibit A



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Kathy Hill, Skagit County Auditor

4.

Liens

Chevron shall discharge at once or bond or otherwise secure against all liens and attachments which are filed in connection with such investigation, monitoring and/or clean-up activities and shall indemnify and save the Owner and Property harmless from and against any and all loss, damage, injury, liability and claims thereof resulting directly or indirectly from such liens and attachments.

5.

Insurance

In lieu of insurance coverage, Chevron maintains a self-administered claims program with respect to its duties hereunder. Chevron shall require contractors which may perform such investigation, monitoring and/or clean-up to maintain liability insurance coverage in accordance with Chevron's standard practices.

6.

Fee

Chevron agrees to pay Owner an access fee for the right to conduct the operations contemplated by this Agreement of \$800.00 per month. Said fee is payable the first day of each calendar month during the term of this Agreement until this Agreement is terminated or cancelled.

7.

Indemnification

Chevron agrees to indemnify, defend and hold the Owner harmless from any liabilities, claims, damages, losses, or suits by third persons resulting from any investigation, monitoring and/or clean-up activities conducted on the Property pursuant to this Agreement.

8.

Entire Agreement

The mutual obligations and undertakings of the parties hereto as provided herein are the sole and only consideration of this Agreement, and no representations, promises or inducements have been made by the parties hereto other than as appear in this Agreement.

9.

Binding Effect

This Agreement is binding upon and inures to the benefit of each of the parties hereto, and their successors, transferees and assigns.

10.

Further Assurances

The parties to this Agreement shall execute such other and further documents as may be necessary or proper in order to consummate this Agreement.



11. Captions

The captions and headings used throughout this Agreement are for convenience of reference only and the words contained therein shall in no way be held or deemed to define, limit, describe, explain, modify, amplify or aid in the interpretation, consideration or meaning of any provision or the scope or the intent of this Agreement.

12. Compliance with Law

Chevron and Owner shall, in the performance of this Agreement, comply with all applicable laws, ordinances, rules and regulations of governmental and quasi-governmental agencies having jurisdiction.

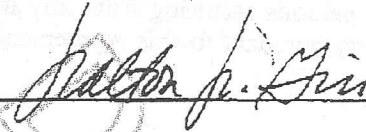
13. Confidentiality

The parties hereto agree to hold the terms of this agreement in confidence and not to disclose same to any third party without Chevron's prior written consent.

IN WITNESS WHEREOF the parties have caused this Agreement to be executed on the date first written above.

CHEVRON U.S.A. INC.

By



OWNER: THE HAMMER GROUP

By

  
Mr. Phillip Glean



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Kathy Hill, Skagit County Auditor

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