



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47775 • Olympia, Washington 98504-7775 • (360) 407-6300

December 19, 2011

Mr. Tim Spurgeon, President
CanAm Minerals, Inc.
50 Oak Court, Suite 210
Danville, CA 94526-4048

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

- Name: Tru-Grit Roofing Granules
- Address: 1110 East Alexander Avenue, Tacoma, WA 98421
- Pierce County Assessor's Parcel Number(s): 2275200292
- Facility/Site No.: 1206878
- Cleanup Site No.: 1294

Dear Mr. Spurgeon:

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 CanAm Minerals, Inc liable under RCW 70.105D.040 for the release of hazardous substances at the Tru-Grit Roofing Granules facility (Site). This proposed finding is based on the following evidence:

1. Based on information in Ecology files, CanAm Minerals, Inc. operates the Tru-Grit Roofing Granules storage and distribution facility in Tacoma, Washington.
2. Granular slag material used for roofing granules and sandblasting material is offloaded from barges to the upland facility by a conveyor system situated on a dock in the Blair Waterway. Grit is placed in an outdoor storage pile on the upland of the property and processed for repackaging and sale as roofing granules



and sandblast grit. According to Ecology central files, the grit offloading and processing operation has been in place since before 1993.

Data provided in Table 1 of the 2007 Tru-Grit Stormwater Pollution Prevention Plan shows that the Tru-Grit material handled at this site contains copper at levels between 1000 parts per million (ppm) and 2590 ppm and zinc at levels between 3900 ppm and 8930 ppm.

Department of Ecology inspection reports show that the grit was released to the environment through stormwater runoff and escaping grit during barge offloading operations.

Sediment sampling conducted by Landau Consultants for CanAm in May, 2008 found visible grit material mixed with sediments near the conveyor and in nearshore sediments at the north edge of the property. Lab analysis of six samples showed that surface sediments contained zinc between 217 and 2970 ppm and copper between 117 and 1340 ppm. Sediments from 15-25 centimeters deep (analyzed at two locations) contained zinc up to 1590 ppm and copper up to 700 ppm. Samples (analyzed at two locations) from 25-40 centimeters deep contained up to 957 ppm zinc and 314 ppm copper.

The sediment sampling results indicate a release of contamination has occurred to the Blair Waterway.

3. The release of contamination poses a threat to the environment because the levels of copper and zinc found are above the concentrations that are indicative of toxicity under the state Sediment Management Standards, Chapter 173-204 WAC. The marine sediment quality standard from WAC 173-204-320 for copper is 390 ppm and for zinc is 410 ppm.

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:

Joyce Mercuri
Southwest Regional Office
Toxics Cleanup Program
P. O. Box 47775
Olympia, WA 98504-7775

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

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 participate in discussions and negotiations with Ecology 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. Begin negotiations for an Agreed Order between Ecology and CanAm Minerals for CanAm to conduct a remedial investigation and develop a feasibility study and cleanup action plan. Ecology will begin the discussions by providing a draft Agreed Order to you in the near future.

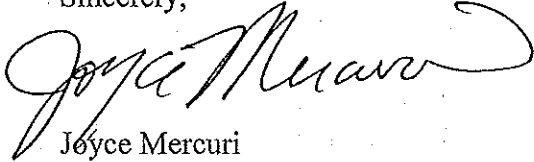
For a description of the process for cleaning up a hazardous waste site under MTCA, please refer to the enclosed fact sheet.

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.

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 call me at 360-407-6260. Thank you for your cooperation.

Sincerely,



Joyce Mercuri
Southwest Region
Toxics Cleanup Program

JM/ksc:Preliminary PLP Notice True Grit

Enclosures: 2

By certified mail: (7010 0780 0002 3403 2698)

cc: Fionn O'Neill, CanAm
Scott Hooton, Port of Tacoma (via email)

POTENTIALLY LIABLE PERSON – Waiver of 30 day notice and comment period

Tim Spurgeon, President
CanAm Minerals, Inc.
Suite 210
50 Oak Court
Danville, CA 94526-4048

Pursuant to WAC 173-340-500 and WAC 173-340-520(1)(b)(i), I _____,
a duly authorized representative of CanAm Minerals, Inc., 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 CanAm Minerals, Inc. as a Potentially Liable Person at the following site:

- Name: Tru-Grit Roofing Granules
- Address: 1110 East Alexander Avenue, Tacoma, WA 98421
- Pierce County Assessor's Parcel Number(s): 2275200292
- Facility/Site No.: 1206878
- Cleanup Site No.: 1294

By waiving this right, CanAm Minerals, Inc. makes no admission of liability.

Signature

Date

Relation To The Site (that is, owner or operator)

