



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

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

June 23, 2014

John Skance
Atlantic Richfield Company
P.O. Box 1257
San Ramon, CA 94583

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

- Name: Port of Port Angeles Marine Trades Area
- Address: Approximately 617 and 637 Marine Drive, Port Angeles, WA
- Facility/Site No.: 1005
- Cleanup Site No.: 1301

Dear Mr. Skance:

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 Atlantic Richfield Company (ARCO) liable under RCW 70.105D.040 for the release of hazardous substances at the Port of Port Angeles Marine Trades Area facility (Site). This proposed finding is based on the following evidence:

1. ARCO, and its predecessor Richfield Oil Company prior to 1966, were owners or operators of a facility at the time of the release or disposal of hazardous substances, as defined under MTCA. Specifically, Richfield Oil Company owned and operated a bulk fuel plant and associated pipeline systems at 635 Marine Drive in Port Angeles, from approximately 1937 until 1966, when Richfield Oil Company merged with Atlantic Refining and became ARCO. Following the merger, ARCO continued to own and operate the Port Angeles bulk fuel facility until 1976, when ARCO sold the property and the operation rights to D&D Distributors. The property was purchased by the Port of Port Angeles (Port) in 1984. In 1984, the Port removed underground and aboveground storage tanks and the pipeline, valves, and equipment associated with the tanks. The Port sold the property to Westport Marine in 2002.



2. Available information and data indicate that there were releases of petroleum products from the bulk fuel plant facility, and that substantial releases occurred during ARCO and its predecessor's ownership and operation of the facility.

Multiple reports, including the Final Remedial Investigation/Feasibility Study report (Floyd|Snider, August 2013), provide evidence that releases of petroleum products, including gasoline, diesel, and benzene, are present beneath the former ARCO facility. The extent of elevated gasoline and benzene in soil at the former ARCO facility covers approximately 1 acre and extends downgradient. Diesel contamination in soil was also found at two locations near the center of the former ARCO facility. A gasoline and benzene groundwater plume covers most of the site with more elevated and widespread concentrations of gasoline and benzene at the upgradient end located at the former ARCO facility.

Evidence indicates that releases of petroleum products occurred during ARCO and/or Richfield Oil Company's ownership and operation of the bulk fuel plant facility. In 1968, gasoline fumes emanated from soil at a depth of 12 to 14 feet in a ditch being excavated along Marine Drive for the new city of Port Angeles's interceptor sewer lines. In the vicinity of Marine Drive and Tumwater Street, work had to be halted due to unsafe working conditions. The contractor reported to the city that he encountered "... ground saturated with petroleum products, and experienced actual infiltration of gasoline into our excavation. The area was tested and found to be in a combustible condition so all work was ceased." (Current Situation Report & Preliminary Conceptual Site Model; Floyd Snider McCarthy, Inc; March 1, 2002). Peak fume concentrations were encountered near the former ARCO site. Additional evidence of substantial amounts of gasoline or diesel in soils at the Site is contained in records of meetings that occurred in 1970 among representatives of the Port of Port Angeles, Pen Ply, Department of Labor & Industries, the City of Port Angeles Public Works Department, the Water Pollution Control Commission, and representatives of oil company distributors (Historical Environmental Summary Report, Port of Port Angeles Marine Terminal Log Yard; Shannon & Wilson, Inc; January 1993). The evidence indicates releases at the former ARCO facility contributed free product gasoline to soils in the vicinity of the city of Port Angeles' interceptor sewer trench excavation in 1968.

3. The investigative reports listed above identified areas of soil and groundwater that exceed applicable state criteria for protection of human health and the environment on property owned by and on which operations were conducted by ARCO. Based on studies performed at the Site to date, this Site poses a threat to human health and/or the environment.

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:

Connie Groven
Washington State Department of Ecology
SWRO Toxics Cleanup Program
P.O. Box 47775
Olympia, WA 98504-47775

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 persons that they are potentially liable for the release of hazardous substances at the Site:

1. Port of Port Angeles;
2. Chevron USA Inc.

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. Pursue completion of Agreed Order No. DE 03TCPSR-5738. Under this order the PLPs must complete a remedial investigation, feasibility study, and a preliminary draft cleanup action plan. The remedial investigation/feasibility study was complete in August 2013. A preliminary draft cleanup action plan was submitted in December 2013 and is under review by Ecology.
2. Pursue a new administrative order with PLPs for implementation of the draft cleanup action plan.

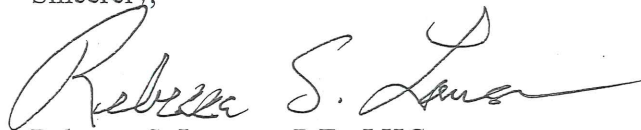
For a description of the process for cleaning up a hazardous waste site under MTCA, please refer to the enclosed fact sheet.

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 Connie Groven at (360) 407-6254. Thank you for your cooperation.

Sincerely,



Rebecca S. Lawson, P.E., LHG
Southwest Regional Office Section Manager
Toxics Cleanup Program
State of Washington
Department of Ecology

Enclosures: 3

- (1) PORT OF PORT ANGELES MARINE TRADES AREA SITE LOCATION MAP
- (2) FOCUS: MODEL TOXICS CONTROL ACT CLEANUP REGULATION: PROCESS FOR CLEANUP OF HAZARDOUS WASTE SITES (Pub. No. #94-129)
- (3) VOLUNTARY WAIVER OF RIGHT TO COMMENT FORM

RSL/CGG/kc MTA Arco PLP Status Ltr

By certified mail: (7013 2630 0001 9408 9234)

cc:

Jon Thompson, Office of the Attorney General
Jeff Robb, Port of Port Angeles
Daniel Carrier, Chevron
Connie Groven, Ecology