



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

Northwest Region Office
PO Box 330316, Shoreline, WA 98133-9716 • 206-594-0000

August 15, 2023

Peter Kelly, President
Northlake Shipyard Inc
1441 N Northlake Way
Seattle, WA 98103-8992

Re: Administrative Order

Administrative Order Docket #	22028
Site Location	1441 N Northlake Way, Seattle, WA 98103-8992

Dear Peter Kelly:

The Department of Ecology (Ecology) is issuing the enclosed Administrative Order (Order) requiring Northlake Shipyard Inc to comply with:

- Chapter 90.48 Revised Code of Washington (RCW) – Water Pollution Control
- National Pollutant Discharge Elimination System (NPDES) Permit Number WA0030864

If you have questions, please contact Gretchen Onstad at gretchen.onstad@ecy.wa.gov or (425) 457-0999.

Sincerely,

Rachel McCrea
Water Quality Section Manager
Northwest Region Office

Enclosure: Administrative Order Docket #22028

By Certified Mail 9171 9690 0935 0233 2021 17

ecc: Jeanne Tran, Ecology
 Monika Kannadaguli, Ecology
 Gretchen Onstad, Ecology
 Biniam Zelelow, King County
 Malcolm Wylie, Seattle Public Utilities
 Michael Jeffers, Seattle Public Utilities
 Peter Kelley, Northlake Shipyard Inc
 James Kelley, Northlake Shipyard Inc
 Chris Kline, Northlake Shipyard Inc
 John Douglas Dixon, Dixon Marine Surveys
 Permit and Reporting Information System (PARIS): WA0030864, Northlake
 Shipyard Inc

State of Washington
Department of Ecology

In the Matter of an Administrative Order Against
NORTHLAKE SHIPYARD INC
PETER KELLY
Administrative Order Docket #22028

To: Peter Kelly, President
Northlake Shipyard Inc
1441 N Northlake Way
Seattle, WA 98103-8992

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The Department of Ecology (Ecology) has issued this Administrative Order (Order) requiring Northlake Shipyard Inc to comply with:

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Chapter 90.48.120(2) RCW gives Ecology the authority to issue Administrative Orders requiring compliance whenever it determines that a person has violated Chapter 90.48 RCW.

1. Determination of Violations and Order to Comply

An Administrative Order is being issued to Northlake Shipyard Inc (Northlake) to address prohibited discharge to Lake Union; improper solid waste handling; and failures to implement the spill control plan, shipyard best management practices (BMPs), and maintain right of inspection and entry to chemical storage area and spill control kit. Permit violations were observed during the inspection by Ecology on January 9, 2023.

Northlake Shipyard is a self-service shipyard located on the northwest shore of Lake Union, next to Gas Works Park. Northlake is conditionally authorized by NPDES Permit No. WA0030864 (Permit) to discharge drydock floodwater to Lake Union at Outfalls 001 and 002. The major areas of the shipyard are Drydock 2, Drydock 9, West Pier, west catch basin, central catch basin, east catch basin, East Pier, and I-90 Float. Discharge of drydock floodwater is subject to complying with the discharge limits and prohibitions set forth in S1 and all other special and general requirements specified in the Permit. Northlake is required to comply with all sections of the Permit.

Ecology's determination that violations have occurred is based on the violations listed below and in Table 1.

Violations Description:

Ecology inspected Northlake on January 9, 2023. There were three Ecology inspectors: Jeanne Tran and Evan Dobrowski from Water Quality Program, and Jared Miller from Hazardous Waste Program. The inspectors met with Northlake staff, James Kelly and Mick Maddock, and conducted a walk-through inspection of the site for almost six (6) hours. Ecology inspectors observed numerous permit violations including failure to implement best management practices as required by the facility's Permit. A full list of violations is given in Table 1. The inspection report was sent to Northlake on February 16, 2023.

Oily sheen was observed at numerous paved locations on the Northlake site and in Lake Union. Stormwater and process water discharges that contain oily sheen are prohibited according to **Permit special condition S1.A Process Wastewater discharges**. Failure to repair holes in storage containers for solid waste is a violation of **Permit special condition S5 Solid Wastes**. Failure to maintain access to the spill control kit is a violation of **Permit special condition S7 Spill control plan** and **general condition G2 Right of inspection and entry**. The remaining violations cited were failures to control sources of water pollution according to **Permit special conditions S11 Shipyard best management practices**.

During the Ecology inspection, Northlake staff stated that the fate of the stormwater catch basins was to the sewer. On February 9, 2023, Biniam Zelelow (King County) and Malcolm Wylie (Seattle Public Utilities) inspected Northlake and conducted a dye tracing test. The dye test was conducted for the three (3) catch basins in the yard to verify their drainage path. The dye test concluded that the west catch basin discharges directly to Lake Union. The dye tests for the other two catch basins (central and east) were not conclusive, due to the amount of sediment build-up in each catch basin or too little flow used during the test. It is not clear whether these catch basins discharge to the sanitary sewer or directly to surface water. A proper dye test is still necessary to determine the drainage path of the stormwater catch basins.

Table 1. Permit violations observed during the inspection on January 9, 2023.

Violation Number	Description of Violation	Permit Violation
1	Wastewater was overflowing from sump at drydock 2 to Lake Union. An oily sheen was observed on Lake Union next to the drydock. This occurred because the collection tanks were not managed properly instead allowing the tanks to	Violation of S1.A and S11.H.1 which prohibits wastewater including stormwater from any industrial activity and ship repair areas on the drydock from being discharged to surface water

Violation Number	Description of Violation	Permit Violation
	reach storage capacity and unable to accept additional wastewater.	
2	The first fresh oily sheen observed on the West Pier next to the crane railway, resulted from a leaky truck. Absorbent material was not deployed in a timely manner as the spill response kit was locked and rainwater washed the oily sheen to surface water.	Violation of S1.A, S11.H.1, and S11.H.2
3	A second fresh oily sheen observed on the driveway connecting to the West Pier, near the waste management bin resulted from a leaky truck. Absorbent material was not deployed in a timely manner as the spill response kit was locked and rainwater washed the oily sheen to surface water.	Violation of S1.A, S11.H.1 and S11.H.2
4	Oily sheen appeared on Lake Union as the rainwater washed the fresh oil leaked from the leaky truck to the west catch basin which flowed to Lake Union.	Violation of S1.A, S11.H.1 and S11.H.2
5	A third fresh oily sheen observed on the East Pier resulted from a leaky truck. Absorbent material was not deployed at this location and rainwater washed the oily sheen to Lake Union. A spill response kit was not available nearby on the East Pier.	Violation of S1.A, S11.H.1 and S11.H.2
6	Wastewater from collection tanks was not hauled off-site for disposal in a timely manner to prevent process wastewater from overflowing to Lake Union.	Violation of S11.H.1 allowing discharge of oily water from the drydock sump to surface water
7	Dumpster with holes and no cover	Violation of S5 for not having a cover to prevent solid waste from contacting stormwater, and for not repairing holes in dumpster to prevent contaminated stormwater from draining out and reaching surface water. Condition S5 pertains to providing AKART to prevent potential leachate from solid waste material from entering state waters. (Note that the dumpster is located adjacent to the catch basin in the West Pier, and the west catch basin was later confirmed to discharge to Lake Union.)
8	Chemical/paint storage buildings were locked with no key for access.	Violation of G2 for denying access
9	No secondary containment was provided	Violation of S11.L for not providing secondary containment for all liquid products. All liquid products must be stored

Violation Number	Description of Violation	Permit Violation
		within a secondary containment capable of containing 110% of the largest single container in the storage area. Liquid waste must be stored under cover, tarpaulins, or roofed structures. Chemical or waste liquids must not be stored on piers and drydocks.
10	Leaky hose	Violation of S11.K for not immediately replacing or repairing leaking connections, valves, piers, hoses, and soil chutes carrying either water, wastewater, or petroleum chemical products.
11	Trash and miscellaneous parts and materials were found on the East Pier.	Violation of S11.P for not implementing housekeeping BMPs; to clean all accessible work, service storage, and access areas; to remove debris, garbage, and any other potential stormwater pollutants.
12	No collection plate was set up underneath the cutting table to collect metal filings, shaving, and fine metal debris. This material was washed away to surface water when heavy rain came during the inspection.	Violation of S11.N for not collecting, storing, and properly disposing of all spent metal cutting, and welding materials; to prevent it from reaching waters of the state.
13	Chemical in drums and buckets stored along the East Pier	Violation of S11.O for not controlling activities on the piers including chemicals and equipment were allowed to store on the pier or pier-side without secondary containment. A spill response kit was not available on the East Pier.

Corrective Actions Required:

For these reasons, and in accordance with RCW 90.48.120(2), it is ordered that Northlake take the following actions to address the violations listed in Table 1.

1. **Immediately or no later than 7 days of receiving this Order**, to comply with permit condition S11.O, Northlake must:
 - a. Provide a portable metal plate, twice the size of the cutting table, underneath the portable cutting table to collect the metal fines, filings, shavings, and swarf material. Ensure the metal plate is placed beneath the cutting table at every location the cutting table is used.
 - b. Do not cut metals on the East and West Piers or I-90 Float or near catch basins without a proper setup to collect small metal particles such as metal fines, filings, slag, shavings, and swarf.

- c. Do not cut metals during windy weather without curtains on all sides of the cutting area to prevent metal fines and dust from traveling in the air and getting into surface water.
 - d. Sweep the cutting area to collect metal fines, filings, shavings, and swarf after each cutting job during the day and at the end of each workday.
 - e. Submit a report to Ecology via the WQWebPortal when these actions are complete, within the above specified time frame, with photographic evidence of completion.
- 2. **Within 7 days of receiving this Order**, to address permit general condition G2 and special condition S7 Spill Control Plan, Northlake must:
 - a. Change the keylock for the spill response kit located on the West Pier (such as to a combination lock) so Northlake staff, contractors and/or tenants can access the spill response material quickly without delay.
 - b. Notify and distribute instructions to employees, tenants, vessel owners, and contractors on how to access the spill response kit and respond to spills immediately.
 - c. Photo-document that these actions have been completed and report the evidence to Ecology via the WQWebPortal within the above specified time frame.
- 3. **Within 7 days of this Order**, to address violations of permit condition S1.A and wastewater storage capacity, Northlake must:
 - a. Haul out wastewater from collection tanks when 80% of the storage capacity is filled.
 - b. Rinse the drydock sumps and collect the rinse water at the end of each workday to prevent stormwater collected overnight from becoming contaminated and overflowing to Lake Union.
 - c. Ensure collection tanks have at least 50% storage capacity available at the end of the Friday shift to prepare for the potential accumulation of contaminated stormwater over the weekend.
 - d. Contract with or otherwise obtain the services of another licensed wastewater recycler/hauler if one recycler/hauler (such as Sound Marine) cannot come in time to haul the wastewater, in order to comply with requirements specified in items (a) and (c) above. Due to Northlake's limited storage capacity onsite, Northlake must have a list of

recyclers/haulers to contract for immediate service to comply with the above items (a) and (c).

- e. Keep a weekly wastewater hauling report describing the vessel work done on each drydock, and the hauling receipt documenting the date and volume of the haul out from the licensed recycler/hauler. Submit these reports to Ecology via the WQWebPortal on a weekly basis for a period of 4 weeks. The first report is due within 7 days of receipt of this Order. Thereafter, submit these reports on a monthly basis. Monthly reports must be uploaded via the WQ Web Portal.

4. **Within 7 days of receiving this Order**, to address violation of permit condition S5, Northlake must:

- a. Move collected garbage to the Waste Management bin (located near the west catch basin) at the end of each workday.
- b. Remove the heavy solids/sediment buildup covering the east yard catch basin (next to the East Pier) so that the catch basin is visible and does not get clogged with debris. Handle and dispose of removed solids as solid waste.

5. **Immediately or no later than 14 days of receiving this Order**, to address violations of permit condition S11, Northlake must implement the following BMPs:

- a. Sweep up the metal fines, paint chips, and debris from the drydock at the end of each workday, including the ongoing or unfinished vessel hull preparation jobs of paint removal and spray paint application, to prevent stormwater encountered during the non-work hours from washing off to surface water.
- b. Stop leaky vehicles from driving on the shipyard property.
- c. Deploy absorbent pads immediately when an oil spill is detected.
- d. Deploy a drip pan for leaks detected from equipment or vehicle immediately and arrange repair without delay.
- e. Do not use leaky hoses or arrange for the repair of leaky hoses without delay.
- f. Do not store liquid products on the piers or the I-90 Float without secondary containment. This staging with secondary containment is temporary to

complete the repair job and should not remain onsite for longer than 12 hours during the workday.

- g. Do not store chemicals or waste liquids on piers and drydocks.
- h. Do not stockpile trash or waste material on piers and drydocks.
- i. Do not park vehicles or motorcycles on the piers unless it is necessary to deliver equipment to the vessel for repair, but no more than 3 hours and not overnight.
- j. Do not stockpile metal parts or metal recycling on the piers or I-90 Float.

6. **Within 14 days of receiving this Order**, to address violations of permit condition S5, Northlake must:

- a. Repair holes in the Waste Management bin dumpster (located near the west catch basin) (or otherwise obtain a dumpster without holes) to prevent leachate or contaminated stormwater from draining out of the holes.
- b. Install a cover on the Waste Management bin dumpster to prevent stormwater from entering the bin.
- c. Photo-document these actions and report evidence to Ecology via the WQWebPortal within the above specified time frame.

7. **Within 14 days of receiving this Order**, to determine the drainage path of stormwater catch basins, Northlake must:

- a. Develop a dye testing study proposal to trace the discharge of the catch basins and submit the proposal to Ecology within 14 days of receiving this Order (Ecology will review the proposal and respond with feedback). The study should include preparation steps, such as the cleanout strategy for catch basins and drain lines, and measures to prevent discharges to surface waters from cleaning operations.
- b. Conduct the dye tracing of the catch basins within 14 days upon approval of the proposed study by Ecology.
- c. Submit the dye testing results and the updated drainage map to Ecology within 14 days after completion of the dye test.

8. **Within 30 days of receiving this Order**, to address violations of permit conditions S11.H.2.f, S11.O, and S11.L, Northlake must implement the following:

- a. Store all liquid products, including paint, oils, and fuel, on impervious surfaces within a secondary containment capable of containing 110% of the largest single container in the storage area. Each container must be properly labeled.
 - b. Store waste liquids under cover, tarpaulins, or roofed structures.
 - c. Do not store equipment with hydraulic fluid on the piers for an extended length of time.
 - d. Report to Ecology via the WQWebPortal that these actions have been completed within the above specified time frame with photo verification.
9. **Within 30 days of receiving this Order**, to comply with permit condition S11.R, Northlake must:
- a. Develop an educational program to train shipyard users (employees, tenants, contractors, and/or customers who conduct repair work at the shipyard) on the requirements in the above-referenced permit, especially shipyard BMPs in Permit condition S11. Documentation of the educational training program must include the learning objectives; recurrence frequency, location, and duration of the training; methods for ensuring all shipyard users receive the training; and recordkeeping for tracking who has been trained and when training must be repeated.
 - b. Develop a checklist form for shipyard users to follow BMPs and all other Permit requirements, and include the checklist form in an updated SWPPP.
 - c. Submit a copy of the educational training program documentation and the updated SWPPP with shipyard user checklist form to Ecology via the WQWebPortal within 30 days of receiving this Order.

2. Eligibility for Paperwork Violation Waiver and Opportunity to Correct

Under RCW 34.05.110, small businesses are eligible for a waiver of a first-time paperwork violation and an opportunity to correct other violations. We have made no determination as to whether you meet the definition of a “small business” under this section. However, we have determined that the requirements of RCW 34.05.110 do not apply to the violation(s) due to a conflict with federal law or program requirements, including federal requirements that are a prescribed condition to the allocation of federal funds to the State.

3. Failure to Comply with this Order

Failure to comply with this Order may result in the issuance of civil penalties or other actions, whether administrative or judicial, to enforce the terms of this Order.

4. Your Right to Appeal

You have a right to appeal this Order to the Pollution Control Hearings Board (PCHB) within thirty (30) days of the date of receipt of this Order. The appeal process is governed by Chapter 43.21B RCW and Chapter 371-08 WAC. "Date of receipt" is defined in RCW 43.21B.001(2).

To appeal, you must do all of the following within thirty (30) days of receipt of this Order:

- File your appeal and a copy of this Order with the PCHB (see address below). Filing means actual receipt by the PCHB during regular business hours.
- Serve a copy of your appeal and this Order on Ecology in paper form – by mail or in person (see addresses below). Email is not accepted.

You must also comply with other applicable requirements in Chapter 43.21B RCW and Chapter 371-08 WAC.

Appeal Address and Location Information

Street Addresses:

Department of Ecology

Attn: Appeals Processing Desk
300 Desmond Drive Southeast
Lacey, WA 98503

Pollution Control Hearings Board

1111 Israel RD SW
STE 301
Tumwater, WA 98501

Mailing Addresses:

Department of Ecology

Attn: Appeals Processing Desk
PO Box 47608
Olympia, WA 98504-7608

Pollution Control Hearings Board

PO Box 40903
Olympia, WA 98504-0903

E-Mail Address:

Department of Ecology

Not currently available (see WAC 371-08)

Pollution Control Hearings Board

Pchb-shbappeals@elaho.wa.gov

5. Contact Information

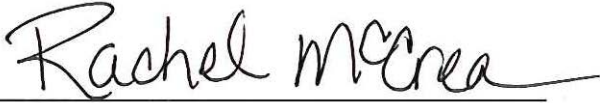
Please direct all questions about this Order to:

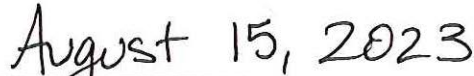
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PO Box 330316
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Email: gretchen.onstad@ecy.wa.gov

6. More Information

- Pollution Control Hearings Board Website:
<https://www.eluho.wa.gov>
- Chapter 43.21B RCW – Environmental and Land Use Hearings Office – Pollution Control Hearings Board:
<https://app.leg.wa.gov/RCW/default.aspx?cite=43.21B>
- Chapter 371-08 WAC – Practice and Procedure
<https://app.leg.wa.gov/WAC/default.aspx?cite=371-08>
- Chapter 34.05 RCW – Administrative Procedure Act
<https://app.leg.wa.gov/RCW/default.aspx?cite=34.05>
- Ecology's Laws, Rules, & Rulemaking Website
<https://ecology.wa.gov/Footer/rulemaking>

7. Signature


Rachel McCrea
Section Manager
Water Quality Program
Northwest Region Office


Date