

ENVIRONMENTAL CONDITIONS

Background

The property has historically been used for log storage during Cascade Pole Company operation; however, this site is not located in the vicinity of primary wood treating operations. Prior to use as a secondary part of the wood treating facility, the site area was sub-tidal land. The property was formed using fill generated during the dredging of the Port navigation channels.

Property Description

The area is relatively flat and the eastern portion of the area is relatively undisturbed and covered with grass and shrubs while the western portion contains blackberry bushes and piles of debris (e.g. concrete and metal pipes, concrete, construction debris, tires, etc).

Historical Use

This section briefly summarizes industrial activities, which have contributed to the soil quality. These activities are described relative to the area described above. The histories presented below include uses for the entire upland portion of the area.

From about 1939 to 1957 numerous wood-treating companies leased this land from the port. In 1957 Cascade Pole Company (CPC) took over the site, running operations until 1986. The site's aboveground structures were dismantled, cleaned, and disposed off-site in 1990. The companies used chemicals to preserve structural wood products, primarily utility poles and railroad ties. The companies using the site utilized two main chemicals for wood preserving, creosote, and pentachlorophenol, however as mentioned previously, the property covered in this RFQ was not located in the vicinity of primary wood treating operations. Creosote is primarily composed of polycyclic aromatic hydrocarbons (PAH) much like tar or oil. From the early 1960's on, pentachlorophenol (PCP) dissolved in carrier oil became the primary wood preservative, though creosote was still used.

These chemicals, PCP and PAH, entered the environment at two main locations, in the uplands around the plant area and into the sediments to the northeast of the plant offshore into Budd Inlet. Environmental investigations at the site began in the late 1980's, with discovery of contaminated soil at the south edge of the site.

In 1990 the Department of Ecology, Port of Olympia, and Cascade Pole Company entered into a court-ordered agreement to start remediating the environmental problem at the CPC site. In 1992 and 1993, a sheet pile cutoff wall and contaminant collection trench were installed. In addition a ground water pump and treat system was installed to control the spread of contaminant out of the hotspot. The pump and treat system

consists of wells, which pump water from the ground to a treatment plant for removal of contaminants. The treated water is discharged to the LOTT sewer outfall.

In 1995, after several years of negotiations, the Port of Olympia and CPC entered into an agreement that would allow the port to take control of the site and future remediation efforts at the site. CPC was given permission by DOE and the court in exchange for a lump sum payment and annual cash payments toward site cleanup activities.

Remediation activities at the site since 1995 have included installation of a slurry wall, start of an additional ground water extraction system, and capping of the southwestern portion of the site. In addition to the slurry wall, a two-sheet pile wall blocks the spread of contaminant off the site towards the water and are located on the eastside of the site. The two walls are keyed into an aquitard that underlies the entire site 20-foot to 28-foot below the ground. The aquitard is a naturally occurring formation consisting of silts and clays that prevent the flow of contaminants to deeper substrates. The slurry wall and aquitard form a barrier enclosing the site, minimizing the chance that contaminated ground water will leave the site.

The contaminated groundwater is collected by pumping water from extraction wells throughout the site. This water is treated at a plant to remove contaminants prior to being pumped to the LOTT sewage outfall.

The tidal areas outside the slurry wall and sheet wall contain some contaminated sediment. These sediments were removed in 2001 and placed in an above ground containment cell inside of the slurry wall. The sediment was replaced with clean material.

Since the wood treatment plant's shut down in 1986, no more chemical contaminants have been dumped onto the ground. There still remains an area of concentrated contaminants east of the site below ground called the "hot spot". This is an area of chemicals, which contaminates groundwater and soil. Some of these chemicals float on the water and some sink. This source of contamination will be remediated insitu by onsite containments using the slurry and sheet pile walls and groundwater extraction and treatment.

The entire Cascade Pole site will be capped with asphalt and the containment cell was completed in April 2009. The cap will minimize rainwater from entering the site. The groundwater extraction system will continue to pump out water to minimize the chance of leakage from the slurry or sheet wall.

The soil and groundwater will never be totally clean, but with the system of containment walls, caps and groundwater extraction system, will minimize the chance for contaminants to reach the environment.

Duty to Minimize Liability

Successful candidate(s) shall ensure that re-development of the property will not increase directly or indirectly either Party's exposure to environmental liability or costs, or to statutory, regulatory or common law environmental obligations associated with the Property.

Excavation

The successful candidate(s) shall, at its own expense, excavate consistent with successful candidate(s) Port approved plans and site plan. The successful candidate shall not excavate below the mean high groundwater level and shall dispose of excavated contaminated soils and materials in accordance with all applicable legal and contractual requirements. As mentioned previously, all excavation or construction on the Property cannot occur without prior approval of the Port and Department of Ecology under the Agreed Order and all subsequent agreed orders.

Isolation of Materials/Groundwater

The successful candidate(s) is therefore responsible for isolating from contact with the environment any remaining contaminated soil that will remain on the Property after it is developed (if any). Such soils shall be treated consistent with the Cascade Pole Agreed Order, which is available from the Port of Olympia

Site development should be designed to adequately protect human health and the environment by preventing new releases to the surface or subsurface that may contaminate the groundwater and by preventing contaminated groundwater from releasing to the surface. All storm water and impervious surface run off will be collected and discharged off site in accordance with applicable regulations and permits obtained by applicant. It will be presumed that remedial actions or activities approved by Ecology or the Port will be protective of human health and the environment.

Disturbance of Capping

If site involves any capping that is put in place by Port, successful applicant shall avoid excavating or disturbing surface and subsurface material on the Property that existed before remediation, and avoid any other action or activity that could lead to compromising the integrity of the capping system and other remedial action undertaken at the Property or which would violate the Cascade Pole Agreed Order including any possible restrictive covenants imposed under it or, unless the Port or Department of Ecology provides its consent.

Successful candidate(s), after construction of the capping, shall be required to obtain the consent of the Port and Department of Ecology for any excavation or construction which will disturb the cap or any activity that will interfere with any ongoing compliance

monitoring required by the Cascade Pole Agreed Order. Any transfer of interest in the Property shall be accomplished in accordance with the Cascade Pole Agreed Order.

Restrictive Covenants

Proposer(s) acknowledges that the Cascade Pole Agreed Order requires that any Restrictive Covenants related to maintaining the capping System and monitoring environmental contamination be imposed on the Property pursuant to MTCA (See WAC 173-340-440(9), and that successful applicant will be required to consent to and comply with all limitations, restrictions, and uses to which the Property may be applied to the property pursuant to these Restrictive Covenants, including requirements to allow periodic access to the Property at reasonable times for the purposes described in the Restrictive Covenants

Inspection

Successful candidate will be required to grant to the Washington State Department of Ecology and the Port the right to inspect the Property and improvements upon the Property at reasonable times, to determine compliance with applicable agreements and the Cascade Pole Agreed Order.

Slurry Wall

Exhibit A1 depicts an underground slurry wall passing through the parcel(s). All structures must be constructed outside of such slurry wall and under no circumstances can the slurry wall be penetrated.