

June 3, 2010

Mr. Ed Jones, Project Manager Washington State Department of Ecology 3190 160th Avenue Southeast Bellevue, Washington 98008-5452

RE: PROGRESS REPORT, JANUARY THROUGH MARCH 2010, QUARTER 1 REMEDIAL INVESTIGATION CAPITAL INDUSTRIES, INC., SEATTLE, WASHINGTON AGREED ORDER NO. DE5348 FARALLON PN: 457-004

Dear Mr. Jones:

Farallon Consulting, L.L.C. (Farallon) has prepared this progress report on behalf of Capital Industries, Inc. (Capital) to summarize the activities conducted from January through March 2010 (Quarter 1 [Q1]) as part of the Remedial Investigation (RI) at the Capital Site at 5801 3rd Avenue South in Seattle, Washington. This progress report has been prepared in accordance with Agreed Order No. DE5348 entered into by Capital and the Washington State Department of Ecology (Ecology) dated January 24, 2008.

ACTIVITIES DURING REPORTING PERIOD

Activities completed for the RI during Q1 of 2010 are summarized below.

REMEDIAL INVESTIGATION

RI activities conducted during this reporting period included communications and correspondence with Ecology related to the installation of groundwater monitoring wells in the Capital Area of Investigation. These activities are summarized in the following sections and include:

- Groundwater monitoring activities conducted during Q1;
- Activities associated with potential vapor intrusion mitigation, including operation and maintenance of a sub-slab depressurization system (SSDS) and assessment of other buildings in the Capital Area of Investigation; and
- Activities associated with interim measures or public communications.



GROUNDWATER MONITORING

The following groundwater monitoring activities were conducted during this reporting period:

- Attempted to secure access for installation of the proposed monitoring wells on private properties. However, complications associated with obtaining access agreements at some properties limited the number of monitoring wells that could be installed during the reporting period.
- Submitted the draft Groundwater Monitoring Plan to Ecology on March 22, 2010 that will define the scope of work for monitoring well installation and groundwater monitoring and sampling as part of the second phase of the RI field program.
- Collected groundwater level measurements on February 5, 2010 for monitoring wells MW-1 through MW-8. At the request of Ecology, collection of the water level measurements was coordinated with PSC, Blaser Die Casting, and Art Brass Plating. The groundwater level measurement results are summarized in Table 1.
- Installed 13 groundwater monitoring wells within the Capital Area of Investigation. The newly installed monitoring wells were a portion of the total proposed monitoring well installations. Capital was unable to install 12 of the proposed monitoring wells due to complications associated with obtaining access agreements. The remaining proposed groundwater monitoring wells are anticipated to be installed during the Second Quarter of 2010.
- Developed the 13 newly installed groundwater monitoring wells from March 9 to 11, 2010.
- Monitored and sampled the previously installed and newly installed monitoring wells within the Capital Area of Investigation from March 22 to 25, 2010. The laboratory analytical results for the March 2010 groundwater sampling event are presented in Table 2.

VAPOR INTRUSION

The following vapor intrusion activities were performed by Capital during this reporting period:

- Continued operation and maintenance of the SSDS installed at the Olympic Medical Building at 5900 1st Avenue South in Seattle.
- An air quality monitoring event within the Olympic Medical Building. The laboratory analytical results from two samples collected at breathing level inside the Olympic Medical Building and one sample collected from ambient air on the upwind side of the building did not detect the presence of the identified constituents of concern for the Capital Area of Investigation above action levels. These findings demonstrate that the SSDS is successfully mitigating the potential for vapor intrusion to ambient air within the Olympic Medical Building.
- Confirmation that tenant inspections of the SSDS are being conducted.
- The semi-annual SSDS inspection.



INTERIM MEASURES

No interim measures were implemented during this reporting period.

PUBLIC COMMUNICATIONS

The project website was updated with an electronic copy of the previous progress report. No other public communication activities were completed during this period.

ANTICIPATED WORK IN THE NEXT QUARTER

Work anticipated to be performed during the April through June 2010 progress reporting period is summarized below.

REMEDIAL INVESTIGATION

The following RI activities are anticipated to be performed during the next reporting period:

- Secure access for installation of the 12 remaining proposed monitoring wells;
- Install the monitoring wells at the approved locations within the Capital Area of Investigation; and
- Submit the revised Groundwater Monitoring Plan that will define the scope of work for monitoring well installation and groundwater monitoring and sampling as part of the second phase of the RI field program based on Ecology comments.

GROUNDWATER MONITORING

Groundwater level measurements will be collected from Capital monitoring wells in May 2010. Measurement of water levels will be coordinated with PSC, Blaser Die Casting, and Art Brass Plating at the request of Ecology. The remaining 12 proposed monitoring wells will be installed in May/June 2010, assuming access is granted to the necessary properties. Following installation of these groundwater monitoring wells, groundwater monitoring and sampling will be conducted for analysis of halogenated volatile organic compounds, 1,4-dioxane, redox metals, and natural attenuation parameters as summarized in the revised Groundwater Monitoring Plan.

VAPOR INTRUSION MITIGATION—OLYMPIC MEDICAL BUILDING

The following activities related to potential vapor intrusion issues are anticipated to be performed during the next reporting period:

- Capital will conduct an evaluation of vapor intrusion based on the results of groundwater sampling conducted during Q1 2010 and reconnaissance sampling conducted in 2009. Based on this evaluation, Capital will identify properties where a Tier 3 vapor intrusion assessment should be conducted.
- Continue operation and maintenance of the SSDS installed at the Olympic Medical Building.
- Confirm that tenant inspections of the SSDS are being conducted.



INTERIM MEASURES

No interim measures are anticipated during the next reporting period.

PUBLIC COMMUNICATIONS

The project website will be updated with an electronic copy of this progress report and the revised Groundwater Monitoring Plan. The next progress report will summarize activities completed from April through June 2010 and will be submitted on or before August 24, 2010.

CLOSING

Farallon trusts that this quarterly progress report provides sufficient information for Ecology. If you have questions regarding this project, please contact either of the undersigned at (425) 295-0800.

Sincerely,

Farallon Consulting, L.L.C.

Daniel Caputo

Project Manager

Peter Jewett, L.G., L.E.G.

Principal

Attachments: Table 1, Groundwater Elevation Data Summary

Table 2, Summary of Groundwater Analytical Results

cc: Ron Taylor, Capital Industries, Inc.

Don Verfurth, Gordon and Rees, L.L.P.

Tong Li, Groundwater Solutions

E-mail with link to electronic copy on project website:

Janet Knox, Pacific Groundwater Group

Doug Hillman, Aspect Consulting

Bill Carroll, Arrow Environmental

Bill Beck, PSC

DC/PJ:bw

Table 1 Groundwater Elevation Data Summary Captial Industries, Inc. Seattle, Washington Farallon PN: 457-004

Monitoring Well	Date		Casing Elevation	Depth to Water	Potentiometric Surface Elevation (feet) ³	
Identification	Collected	Collected By	(feet) ¹	(feet) ²		
	7		Table Zone			
	2/9/2006	Capital Industries	16.34		9.74	
	5/15/2007	Capital Industries	16.34		8.68	
	8/1/2008	Capital Industries	16.34		7.74 7.91	
MW-1	12/15/2008 3/23/2009	Capital Industries Capital Industries	16.34 16.34		8.40	
M W - 1	5/18/2009	Capital Industries	16.34	· · · · · · · · · · · · · · · · · · ·	8.49	
	8/4/2009	Capital Industries	16.34		7.80	
	10/23/2009	Capital Industries	16.34		7.81	
	2/5/2010	Capital Industries	16.34	7.10	9.24	
	2/9/2006	Capital Industries	16.58	7.25	9.33	
	5/15/2007	Capital Industries	16.58	8.29	8.29	
	8/1/2008	Capital Industries	16.58	9.14	7.44	
	12/15/2008	Capital Industries	16.58	8.93	7.65	
MW-2	3/23/2009	Capital Industries	16.58	8.50	8.08	
	5/18/2009	Capital Industries	16.58		8.15	
	8/4/2009	Capital Industries	16.58		7.52	
	10/23/2009	Capital Industries	16.58		7.58	
	2/5/2010	Capital Industries	16.58		8.89	
	2/9/2006	Capital Industries	15.85		9.01	
	5/15/2007	Capital Industries	15.85		8.00 7.24	
	8/1/2008 12/15/2008	Capital Industries Capital Industries	15.85 15.85		7.24	
MW-3	3/23/2009	Capital Industries Capital Industries	15.85		7.42	
M W - 3	5/18/2009	Capital Industries Capital Industries	15.85		7.86	
	8/4/2009	Capital Industries	15.85		7.30	
	10/23/2009	Capital Industries	15.85		7.39	
	2/5/2010	Capital Industries	15.85		8.68	
	2/9/2006	Capital Industries	15.73	6.39	9.34	
	5/15/2007	Capital Industries	15.73	7.35	8.38	
	8/1/2008	Capital Industries	15.73	8.17	7.56	
	12/15/2008	Capital Industries	15.73	8.03	7.70	
MW-4	3/23/2009	Capital Industries	15.73	7.60	8.13	
	5/18/2009	Capital Industries	15.73	7.52	8.21	
	8/4/2009	Capital Industries	15.73	8.12	7.61	
	10/23/2009	Capital Industries	15.73	8.08	7.65	
	2/5/2010	Capital Industries	15.73		8.95	
	2/9/2006	Capital Industries	15.90		9.60	
	5/15/2007	Capital Industries	15.90		8.49	
	8/1/2008	Capital Industries	15.90		7.59	
MW-5	12/15/2008	Capital Industries Capital Industries	15.90 15.90		8.25	
101 00 -3	3/23/2009 5/18/2009	Capital Industries	15.90		8.36	
	8/4/2009	Capital Industries	15.90		7.65	
	10/23/2009	Capital Industries	15.90		7.72	
	2/5/2010	Capital Industries	15.90		9.15	
	2/9/2006	Capital Industries	17.52	7.72	9.80	
	5/15/2007	Capital Industries	17.52	8.58	8.94	
	8/1/2008	Capital Industries	17.52	9.51	8.01	
	12/15/2008	Capital Industries	17.52	6.60 7.66 8.60 8.43 7.94 7.85 8.54 8.53 7.10 7.25 8.29 9.14 8.93 8.50 8.43 9.06 9.00 7.69 6.84 7.85 8.61 8.43 8.02 7.99 8.55 8.46 7.17 6.39 7.35 8.17 8.03 7.60 7.52 8.12 8.08 6.78 6.30 7.41 8.31 8.10 7.65 7.54 8.25 8.18 6.75 7.72 8.58	8.08	
MW-6	3/23/2009	Capital Industries	17.52		8.56	
	5/18/2009	Capital Industries	17.52		8.65	
	8/4/2009	Capital Industries	17.52		8.08	
	10/23/2009	Capital Industries	17.52		8.01	
	2/5/2010	Capital Industries	17.52		9.39	
	2/9/2006	Capital Industries	17.04		9.72 8.85	
	5/15/2007 8/1/2008	Capital Industries Capital Industries	17.04 17.04		7.94	
MW-7	12/15/2008	Capital Industries Capital Industries	17.04		8.01	
	3/23/2009	Capital Industries	17.04		8.49	
	5/18/2009	Capital Industries	17.04		8.59	
	8/4/2009	Capital Industries	17.04		8.02	
	10/23/2009	Capital Industries	17.04		7.95	
	2/5/2010	Capital Industries	17.04		9.29	
	2/9/2006	Capital Industries	16.77	6.71	10.06	
MW-8	5/15/2007	Capital Industries	16.77	7.60	9.17	
	8/1/2008	Capital Industries	16.77	8.57	8.20	
	12/15/2008	Capital Industries	16.77		8.26	
	3/23/2009	Capital Industries	16.77		8.76	
	5/18/2009	Capital Industries	16.77		8.86	
	8/4/2009	Capital Industries	16.77		8.26	
	10/23/2009	Capital Industries	16.77		8.21	

NOTES:

Elevation of top of casing in feet as surveyed by PLS, Inc., Issaquah, Washington on August 22, 2003 using NAV88 datum.

²Depth to water below top of well casing.

³Potentiometric Surface Elevation = Casing Elevation - Depth to Water in feet above mean sea level.

Table 2

Summary of Groundwater Analytical Results

Capital Industries, Inc. Seattle, Washington Farallon PN: 457-004

				raralien Pr	N: 457-004				
			Samuel Internal	Analytical Results (micrograms per liter) ²					
ample Location	Sample Date	Sampled by	Screened Interval	PCE	TCE	cis-1,2-DCE	trans-1,2-DCE	Vinyl Chloride	
		······································		Water Ta	ble Zone	k			
MW-1	02/10/06	Capital	10-20	0.52	16	78	1.1	<0.4	
	June 2009	Blaser	10-20	0.44	13	34	0.66	0.12	
MW-2 02/10/06 3/25/2010	02/10/06	Capital	10-20	<2	300	28	6.2	<2	
	3/25/2010	Capital	10-20	< 0.40	73	21	3.0	0.67	
MW-3	02/09/06	Capital	10-20	<0.2	5.6	49	0.23	4	
	3/25/2010	Capital	10-20	<0.20	4.5	30	<0.20	0.51	
MW-4	02/09/06	Capital	10-20	<0.2	3.6	1.1	<0.2	<0.2	
IVI VV -4	3/25/2010	Capital	10-20	<0.20	1.7	1.1	< 0.20	0.67	
MW-5	02/09/06	Capital	10-20	<2	300	230	3.2	17	
	3/24/2010	Capital	10-20	<1.0	110	79	1.6	2.6	
MW-6	02/10/06	Capital	10-20	16	19	22	< 0.2	<0.2	
IVI VV -0	3/24/2010	Cap[ital	10-20	11	7	1.3	<0.20	< 0.20	
MW-7	02/09/06	Capital	10-20	46	38	6.7	<0.2	<0.2	
	3/24/2010	Capital	10-20	22	17	5.9	1.9	< 0.20	
MW-8	02/09/06	Capital	10-20	<0.2	<0.2	0.41	<0.2	<0.2	
IVI W -0	3/24/2010	Capital	10-20	< 0.20	< 0.20	0.26	<0.20	<0.20	
CI-9-WT									
CI-10-WT	3/24/2010	Capital	10-20	< 0.20	32	7.5	0.39	< 0.20	
CI-11-WT						20 miles (1980)			
CI-12-WT	3/23/2010	Capital	10-20	<0.20	0.38	<0.20	<0.20	0.59	
CI-13-WT					the state of the s				
CI-14-WT									
CG-137-WT	3/25/2010	Capital	10-20	<0.40	98	49	9.8	3.3	
CG-141-WT	3/23/2010	Capital	10-20	< 0.20	< 0.20	< 0.20	<0.20	<0.20	
reening Levels ³				0.17	0,404	72.7	65.3	1.28	
				Shallow	/ Zone				
CI-7-40	3/25/2010	Capital	30-40	<0.20	<0.20	1.0	<0.20	2.3	
CI-8-40	3/24/2010	Capital	30-40	<0.20	<0.20	29	<0.20	17	
CI-9-40				1000					
CI-10-35	3/24/2010	Capital	25-35	< 0.20	25	3.4	0.43	7.2	
CI-11-30									
CI-12-30	3/23/2010	Capital	20-30	< 0.20	<0.20	<0.20	< 0.20	26	
CI-13-30									
CI-14-35									
CI-15-40	3/23/2010	Capital	30-40	<0.20	<0.20	2.9	<0.20	7.8	
CG-137-40	3/25/2010	Capital	30-40	< 0.20	<0.20	< 0.20	<0.20	53	
CG-141-40	3/23/2010	Capital	30-40	<1.0	<1.0	<1.0	<1.0	150	
CI-MW-1-40	June 2009	Blaser	30-40	<0.20	<0.20	<0.20	<0.20	1.7	
eening Levels				0.17	0.654	137	1,403	1.69	
		T	T	Intermedi	Ţ	Γ			
CI-7-60	3/24/2010	Capital	50-60	<0.20	<0.20	<0.20	<0.20	0.46	
CI-8-60	3/24/2010	Capital	50-60	<0.20	<0.20	<0.20	<0.20	< 0.20	
C1-9-70	2/2//				0.0000000000000000000000000000000000000				
CI-10-65	3/24/2010	Capital	50-65	< 0.20	<0.20	<0.20	<0.20	0.71	
CI-11-60	0.400		-						
CI-12-60	3/23/2010	Capital	50-60	< 0.20	<0.20	<0.20	<0.20	0.28	
CI-13-60									
CI-14-70	2 /2 2 /	~							
CI-15-60	3/23/2010	Capital	50-60	<0.20	<0.40	<0.40	<0.40	79	
CI-137-50	3/25/2010	Capital	40-50	<0.20	<0.20	<0.20	<0.20	11	
CG-141-50	3/23/2010	Capital	40-50	<0.40	<0.40	<0.40	<0.40	72	
CI-MW-1-60	June 2009	Blaser	50-60	<0.20	<0.20	0.046	<0.20	1.9	
reening Levels ³				0.17	0.654	137	1 403	1.60	

Screening Levels³ Notes:

Results in bold denote concentrations above applicable screening levels.

Screening levels were calculated using Washington State Model Toxics Control Act Cleanup Regulation (MTCA) Modified Method B groundwater cleanup levels, modified based on Asian Pacific Island Exposure scenarios for the consumption of fish for the groundwater-to-surface-water pathway, the Federal Clean Water Act Ambient Water Quality Criteria based on human health consumption of organisms for the groundwater-to-surface-water pathway, and Residential Exposure Scenario for inhalation of indoor air exposure pathway.

137 PCE = tetrachloroethene

TCE = trichloroethene

DCE = dichloroethene

0.654

Water Table Zone \simeq denotes interval from the top of water table to 20 feet bgs.

1,403

1.69

Shallow Zone = denotes interval from 20 to 40 feet bgs.

Intermediate Zone = denotes interval below 40 feet bgs.

Capital = Capital Industries, Inc.

Blaser = Blaser Die Casting

0.17

< denotes analyte not detected at or above the reporting limit listed. Shaded rows indicate monitoring well has not been installed.

Depth in feet below ground surface (bgs).

²Analyzed using U.S. Environmental Protection Agency Method 8260B.