

December 2, 2009

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

**RE: PROGRESS REPORT, JULY THROUGH SEPTEMBER 2009, QUARTER 3
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 for the Remedial Investigation (RI) from July through September 2009, Quarter 3 (Q3) at the Capital Site located at 5801 3rd Avenue South in Seattle, Washington. The 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 from July through September 2009, Q3, are summarized below.

REMEDIAL INVESTIGATION

The following RI activities were conducted during this reporting period:

- Tier II Reconnaissance Sampling was conducted between June 29 and July 9, 2009 and included advancing borings B19 through B28, with the exception of borings B25 and B26, which were not completed during that time frame due to delays in obtaining a completed access agreement with Gull Oil. The Gull Oil access agreement was completed on July 13, 2009. Field work for borings B25 and B26 was completed on July 30, 2009.
- Capital submitted the Draft Remedial Investigation Field Program, First Phase Report (First Phase Report) to Ecology on September 18, 2009. The First Phase Report summarized the results of the reconnaissance sampling effort and provided the locations and depths for proposed groundwater monitoring wells based on the results of the reconnaissance sampling.

INTERIM MEASURES

No interim measures were implemented during this reporting period.

VAPOR INTRUSION

The following vapor intrusion (VI) activities were completed during this reporting period:

- Capital continued operation and maintenance of the sub-slab depressurization system (SSDS) installed at the Olympic Medical Building at 5900 1st Avenue South in Seattle.
- The Vapor Intrusion Mitigation Report (VIM Report) for the Olympic Medical Building was submitted to Ecology on September 10, 2009. The VIM Report provided a description of the VI mitigation system installed at the Olympic Medical Building and the post-installation testing of the system conducted to confirm that the mitigation system was operating as designed.
- The Draft Vapor Intrusion Inspection, Monitoring, and Maintenance Plan for the Olympic Medical Building was submitted to Ecology for review on September 10, 2009. The purpose of the Draft Vapor Intrusion Inspection, Monitoring, and Maintenance Plan is to guide the ongoing operation and maintenance of the mitigation system at the Olympic Medical Building.

GROUNDWATER MONITORING

Groundwater level measurements for monitoring wells MW-1 through MW-8 were collected on August 4, 2009. At the request of Ecology, water level measurement was coordinated with Philip Service Corporation, Blaser Die Casting, and Art Brass Plating. The groundwater level measurement results are summarized in Table 1. Groundwater samples were not collected by Capital during Q2.

PUBLIC COMMUNICATIONS

The project Web site was updated with an electronic copy of the previous progress report, First Phase Report, VIM Report, and the Draft Vapor Intrusion Inspection, Monitoring, and Maintenance Plan. No other public communication activities were completed during this period.

ANTICIPATED WORK IN THE UPCOMING QUARTER

Work anticipated to be performed during the next progress reporting period (October through December 2009) is summarized below.

REMEDIAL INVESTIGATION

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

- Reviewing Ecology's comment on the Draft First Phase Report;
- Meeting with Ecology to evaluate proposed monitoring well locations and depths;
- Establishing approved locations and securing access for installation of the monitoring wells proposed in the First Phase Report;
- Installing the monitoring wells at the approved locations at the Site; and
- Preparing a draft Groundwater Monitoring Plan to outline the scope of work for monitoring well installation and groundwater monitoring and sampling as part of the Second Phase RI Field Program.

INTERIM MEASURES

No interim measures are anticipated during the next reporting period.

VAPOR INTRUSION MITIGATION—OLYMPIC MEDICAL BUILDING

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

- Submitting a revised VI Inspection, Monitoring, and Maintenance Work Plan to Ecology for the SSDS installed at the Olympic Medical Building.

GROUNDWATER MONITORING

Groundwater level measurements will be collected from Capital monitoring wells MW-1 through MW-8 in October 2009. Measurement of water levels will be coordinated with Blaser Die Casting and Art Brass Plating at the request of Ecology. Groundwater monitoring may be conducted, dependent on the installation of monitoring wells.

PUBLIC COMMUNICATIONS

The project Web site will be updated with an electronic copy of this progress report; the draft Groundwater Monitoring Plan; and the revised VI Inspection, Monitoring, and Maintenance Work Plan.

The next progress report will summarize activities completed from October through December 2009 and will be submitted on or before February 24, 2010.

CLOSING

Farallon trusts that this quarterly progress report provides sufficient information for Ecology. If you have any 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

Attachment: Table 1, *Groundwater Elevation Data Summary*

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 Web site:

Janet Knox, Pacific Groundwater Group
Doug Hillman, Aspect Consulting
Bill Carroll, Arrow Environmental
Bill Beck, PSC

DC/PJ:bjj



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

Monitoring Well Identification	Date Collected	Collected By	Casing Elevation (feet)¹	Depth to Water (feet)²	Potentiometric Surface Elevation (feet)³
MW-1	2/9/2006	Capital Industries	16.34	6.60	9.74
	5/15/2007	Capital Industries	16.34	7.66	8.68
	8/1/2008	Capital Industries	16.34	8.60	7.74
	12/15/2008	Capital Industries	16.34	8.43	7.91
	3/23/2009	Capital Industries	16.34	7.94	8.40
	5/18/2009	Capital Industries	16.34	7.85	8.49
	8/4/2009	Capital Industries	16.34	8.54	7.80
	10/23/2009	Capital Industries	16.34	8.53	7.81
MW-2	2/9/2006	Capital Industries	16.48	7.25	9.23
	5/15/2007	Capital Industries	16.48	8.29	8.19
	8/1/2008	Capital Industries	16.48	9.14	7.34
	12/15/2008	Capital Industries	16.48	8.93	7.55
	3/23/2009	Capital Industries	16.48	8.50	7.98
	5/18/2009	Capital Industries	16.48	8.43	8.05
	8/4/2009	Capital Industries	16.48	9.06	7.42
	10/23/2009	Capital Industries	16.48	9.00	7.48
MW-3	2/9/2006	Capital Industries	15.74	6.84	8.90
	5/15/2007	Capital Industries	15.74	7.85	7.89
	8/1/2008	Capital Industries	15.74	8.61	7.13
	12/15/2008	Capital Industries	15.74	8.43	7.31
	3/23/2009	Capital Industries	15.74	8.02	7.72
	5/18/2009	Capital Industries	15.74	7.99	7.75
	8/4/2009	Capital Industries	15.74	8.55	7.19
	10/23/2009	Capital Industries	15.74	8.46	7.28
MW-4	2/9/2006	Capital Industries	15.62	6.39	9.23
	5/15/2007	Capital Industries	15.62	7.35	8.27
	8/1/2008	Capital Industries	15.62	8.17	7.45
	12/15/2008	Capital Industries	15.62	8.03	7.59
	3/23/2009	Capital Industries	15.62	7.60	8.02
	5/18/2009	Capital Industries	15.62	7.52	8.10
	8/4/2009	Capital Industries	15.62	8.12	7.50
	10/23/2009	Capital Industries	15.62	8.08	7.54



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Monitoring Well Identification	Date Collected	Collected By	Casing Elevation (feet) ¹	Depth to Water (feet) ²	Potentiometric Surface Elevation (feet) ³
MW-5	2/9/2006	Capital Industries	15.90	6.30	9.60
	5/15/2007	Capital Industries	15.90	7.41	8.49
	8/1/2008	Capital Industries	15.90	8.31	7.59
	12/15/2008	Capital Industries	15.90	8.10	7.80
	3/23/2009	Capital Industries	15.90	7.65	8.25
	5/18/2009	Capital Industries	15.90	7.54	8.36
	8/4/2009	Capital Industries	15.90	8.25	7.65
	10/23/2009	Capital Industries	15.90	8.18	7.72
MW-6	2/9/2006	Capital Industries	17.43	7.72	9.71
	5/15/2007	Capital Industries	17.43	8.58	8.85
	8/1/2008	Capital Industries	17.43	9.51	7.92
	12/15/2008	Capital Industries	17.43	9.44	7.99
	3/23/2009	Capital Industries	17.43	8.96	8.47
	5/18/2009	Capital Industries	17.43	8.87	8.56
	8/4/2009	Capital Industries	17.43	9.44	7.99
	10/23/2009	Capital Industries	17.43	9.51	7.92
MW-7	2/9/2006	Capital Industries	16.93	7.32	9.61
	5/15/2007	Capital Industries	16.93	8.19	8.74
	8/1/2008	Capital Industries	16.93	9.10	7.83
	12/15/2008	Capital Industries	16.93	9.03	7.90
	3/23/2009	Capital Industries	16.93	8.55	8.38
	5/18/2009	Capital Industries	16.93	8.45	8.48
	8/4/2009	Capital Industries	16.93	9.02	7.91
	10/23/2009	Capital Industries	16.93	9.09	7.84
MW-8	2/9/2006	Capital Industries	16.68	6.71	9.97
	5/15/2007	Capital Industries	16.68	7.60	9.08
	8/1/2008	Capital Industries	16.68	8.57	8.11
	12/15/2008	Capital Industries	16.68	8.51	8.17
	3/23/2009	Capital Industries	16.68	8.01	8.67
	5/18/2009	Capital Industries	16.68	7.91	8.77
	8/4/2009	Capital Industries	16.68	8.51	8.17
	10/23/2009	Capital Industries	16.68	8.56	8.12

NOTES:

¹Relative elevation of top of casing, in feet, as surveyed by PLS, Inc., Issaquah, Washington, 8/22/2003.

²Depth to water below top of well casing.

³Potentiometric Surface = (Casing Elevation - Depth to Water).