

February 25, 2009

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

**RE: PROGRESS REPORT, OCTOBER THROUGH DECEMBER 2008, QUARTER 4
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 October through December 2008 – Quarter 4 (Q4) 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 from October through December 2009 – Q4 are summarized below.

REMEDIAL INVESTIGATION

The following Remedial Investigation (RI) activities were conducted during this reporting period:

- Capital received a letter from Ecology approving the Revised Remedial Investigation Work Plan (RI Work Plan) on October 14, 2008;
- Historical research was ongoing, including a review of aerial photographs, building permits, regulatory files, insurance maps, Sanborn maps, Polk City Directories, utility maps, and other relevant information for properties relevant to the Capital Site;
- Reasonable notice was provided to public and private property residents, occupants, owners, and/or other persons in custody of property where access was required to conduct Tier 1 Reconnaissance Sampling and Analysis (Tier 1);
- Tier 1 Reconnaissance Sampling and Analysis was completed between November 10 and December 16, 2008 in accordance with the RI Work Plan. Reconnaissance borings B6 through B18 were installed and sampled; and

- The data collected during Tier 1 is in the process of being validated by Saylor Data Solutions, Inc. Validated data will be reported to Ecology in the Tier 1 Reconnaissance Sampling Results Technical Memorandum prior to the next progress report.

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 received a letter from Ecology approving the Revised Vapor Intrusion Assessment Plan on October 14, 2008;
- Capital received a letter from Ecology approving the Draft Vapor Intrusion Mitigation Work Plan for the Olympic Medical Building on November 5, 2008;
- Diagnostic testing was conducted at the Olympic Medical Building by Advanced Radon Technologies to collect sufficient data to design the sub-slab depressurization system (SSDS) to mitigate VI in the warehouse and manufacturing portion of the Olympic Medical Building. Diagnostic testing was conducted between October 7 and 14, 2008;
- The SSDS design was developed and provided to Ecology as an Appendix of the Draft Vapor Intrusion Mitigation Design Plan for the Olympic Medical Building and to the City of Seattle Department of Planning and Development to obtain a Mechanical Expedited (Full) Permit; and
- Capital received a letter from Ecology approving the Draft Vapor Intrusion Mitigation Design Plan for the Olympic Medical Building on December 5, 2008.

GROUNDWATER MONITORING

Groundwater level measurements were collected on December 15, 2008 and the results are presented in Table 1. Water level measurements were coordinated with Philip Service Corporation and Art Brass Plating at the request of Ecology. Groundwater samples were not collected during Q4.

PUBLIC COMMUNICATIONS

The project website was updated with an electronic copy of the previous progress report and the Revised Vapor Intrusion Assessment Plan. No other public communications were completed during this period.

ANTICIPATED WORK IN THE UPCOMING QUARTER

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

REMEDIAL INVESTIGATION

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

- Provide Ecology with the results of the Tier 1, and propose the locations and sampling scheme for the Tier 2 Reconnaissance Sampling and Analysis (Tier 2) in the Draft Tier 1 Reconnaissance Sampling Results Technical Memorandum (Tier 1 Tech Memo);
- Validation of Tier 1 data by Saylor Data Solutions, Inc. Validated data will be reported to Ecology in the Tier 1 Tech Memo. Figures depicting groundwater concentrations of COCs will also be submitted in the Tier 1 Tech Memo;
- Ongoing historical research, including a review of King County Tax Assessor Archives, City of Seattle Department of Development and Planning records, regulatory files, historical maps, and other relevant information for properties identified as additional potential sources in the vicinity of the Capital Site;
- Provision of reasonable notice to public and private property residents, occupants, owners, and/or other persons in custody of property where access is required to conduct Tier 2 sampling; and
- Tier 2 sampling will include reconnaissance borings B19 through B26 or as modified to meet the requirements of Ecology.

INTERIM MEASURES

No interim measures are anticipated during the next reporting period.

VAPOR INTRUSION MITIGATION - OLYMPIC MEDICAL BUILDING AT 5900 1ST AVENUE SOUTH

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

- Installation of a sub-slab depressurization system within the Olympic Medical Building warehouse and manufacturing areas;
- Post-installation negative pressure field extension monitoring and post-installation indoor air and/or sub-slab vapor sampling at the Olympic Medical Building;
- Assessment of buildings identified as possibly threatened by VI from the results of Tier 1 sampling;
- Submittal of a draft Vapor Intrusion Inspection, Monitoring, and Maintenance Work Plan to Ecology for approval of the SSDS operation and maintenance at the Olympic Medical Building and in buildings mitigated for VI in the future; and
- Submittal of a draft Post-Installation Vapor Intrusion Mitigation Report to Ecology for approval of the SSDS final design and operation.

GROUNDWATER MONITORING

Groundwater level measurements will be collected from Capital monitoring wells MW-1 through MW-8 in March 2009. Collection of water levels will be coordinated with Blaser Die Casting

and Art Brass Plating at the request of Ecology. Groundwater samples are not anticipated to be collected during the upcoming quarter.

PUBLIC COMMUNICATIONS

No public communications are anticipated during the next reporting period.

CLOSING

The next progress report will summarize activities completed from January through March 2009 and will be submitted on or before May 24, 2009.


Farallon trusts that this monthly 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

Email 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
Capital Industries
Seattle, Washington
Farallon PN: 457-004

Well Identification	Date Measured	Top of Casing Elevation (feet msl) ¹	Depth to Water (feet) ²	Groundwater Elevation (feet msl)
MW-1	2/9/2006	16.34	6.60	9.74
	5/15/2007	16.34	7.66	8.68
	8/1/2008	16.34	8.60	7.74
	12/15/2008	16.34	8.43	7.91
MW-2	2/9/2006	16.48	7.25	9.23
	5/15/2007	16.48	8.29	8.19
	8/1/2008	16.48	9.14	7.34
	12/15/2008	16.48	8.93	7.55
MW-3	2/9/2006	15.74	6.84	8.90
	5/15/2007	15.74	7.85	7.89
	8/1/2008	15.74	8.61	7.13
	12/15/2008	15.74	8.43	7.31
MW-4	2/9/2006	15.62	6.39	9.23
	5/15/2007	15.62	7.35	8.27
	8/1/2008	15.62	8.17	7.45
	12/15/2008	15.62	8.03	7.59
MW-5	2/9/2006	15.90	6.30	9.60
	5/15/2007	15.90	7.41	8.49
	8/1/2008	15.90	8.31	7.59
	12/15/2008	15.90	8.10	7.80
MW-6	2/9/2006	17.43	7.72	9.71
	5/15/2007	17.43	8.58	8.85
	8/1/2008	17.43	9.51	7.92
	12/15/2008	17.43	9.44	7.99
MW-7	2/9/2006	16.93	7.32	9.61
	5/15/2007	16.93	8.19	8.74
	8/1/2008	16.83	9.10	7.73
	12/15/2008	16.83	9.03	7.80
MW-8	2/9/2006	16.68	6.71	9.97
	5/15/2007	16.68	7.60	9.08
	8/1/2008	16.68	8.57	8.11
	12/15/2008	16.68	8.51	8.17
PSC-CG-137-WT	5/15/2007	15.39	7.56	7.83
	8/1/2008	15.39	8.40	6.99
	12/15/2008	15.39	8.15	7.24
PSC-CG-137-40	5/15/2007	15.43	7.58	7.85
	8/1/2008	15.43	8.42	7.01
	12/15/2008	15.43	8.20	7.23
PSC-CG-141-WT	8/1/2008	16.61	10.11	6.50
	12/15/2008	16.61	9.92	6.69
PSC-CG-141-40	8/1/2008	16.66	10.27	6.39
	12/15/2008	16.66	10.00	6.66
PSC-CG-141-50	8/1/2008	16.68	10.21	6.47
	12/15/2008	16.68	-	-

NOTES:

¹Top of casing elevation in feet above mean sea level (msl) surveyed to vertical datum.

²Depth to water below top of well casing.

- denotes that the monitoring well could not be accessed.