

EXHIBIT 3



State Environmental Policy Act (SEPA) Checklist



Imperium Bulk Liquid Terminal Facility Project Imperium Terminal Services, LLC

February 22, 2013

TABLE OF CONTENTS

- I. Cover Letter
- II. SEPA Checklist
- III. Figure 1 – Vicinity Map
- IV. Figure 2 – General Arrangement
- V. Figure 3 – Section View
- VI. Appendix A – Legal Description
- VII. Appendix B – Geotech Report
- VIII. Appendix C – Wetlands Technical Report
- IX. Appendix D – MSDSs

ENVIRONMENTAL CHECKLIST

Purpose of checklist:

The State Environmental Policy Act (SEPA), Chapter 43.21C Regional Code of Washington (RCW), requires all governmental agencies to consider the environmental impacts of a proposal before making decisions. An environmental impact statement (EIS) must be prepared for all proposals with probable significant adverse impacts on the quality of the environment. The purpose of this checklist is to provide information to help you and the agency identify impacts from your proposal (and to reduce or avoid impacts from the proposal, if it can be done) and to help the agency decide whether an EIS is required.

A. BACKGROUND

1. Name of proposed project, if applicable:

Imperium Bulk Liquid Terminal Facility

2. Name of applicant:

Imperium Terminal Services, LLC

3. Address and phone number of applicant and contact person:

Steve Drennan, Vice President of Engineering

Imperium Terminal Services, LLC

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Suite 600

Seattle, Washington 98104

(206) 254-0203

4. Date checklist prepared:

January 31, 2013

5. Agency requesting checklist:

Pursuant to WAC 197-11-938, the Department of Ecology (Ecology) is a co-Lead Agency because the proposal involves construction on a single site of a facility designed for storing a total of one million or more gallons of any liquid fuel not under the jurisdiction of the Energy Facility Site Evaluation Council (EFSEC).

The greatest portion of the project area is within the jurisdiction of the City of Hoquiam and the City of Hoquiam is therefore the other co-Lead agency.

Other agencies with jurisdiction include:

- City of Aberdeen (southeast corner of site)
- Olympic Region Clean Air Agency (ORCAA), Air Quality Permits

6. Proposed timing or schedule (including phasing, if applicable):

Project Element	Begin Construction	Complete Construction
Additional Storage Tanks	June 2013	December 2014
Additional Rail Spurs	June 2013	December 2014
Pipelines to Terminal 1	June 2013	December 2014
Marine Vapor Combustion Unit	June 2013	December 2014

The storage tank construction will occur in phases. The first phase is expected to include five tanks. The construction schedule for the remaining four tanks may extend the construction completion date for the project.

7. Do you have any plans for future additions, expansion, or further activity related to or connected with this proposal? If yes, explain.

The project will take place on a partial lease of the 22.9-acre Terminal 1 facility from the Port of Grays Harbor. The project is proposed on 10.907 acres of Terminal 1. Imperium Grays Harbor occupies the remainder of the site. Imperium may elect to build the additions in phases which may extend the construction completion date for the entire proposed project.

8. List any environmental information you know about that has been prepared, or will be prepared, directly related to this proposal.

- Shoreline Substantial Development Permit (includes Joint Aquatic Resources Permit Application [JARPA])
- Industrial Stormwater Pollution Prevention Plan (SWPPP)
- Olympic Region Clean Air Agency (ORCAA) Approval Order, State of Washington
- Phase I and II Environmental Site Assessment (ESA)
- Spill Prevention Control and Countermeasures (SPCC) Plan
- Construction SWPPP
- Temporary Erosion and Sediment Control (TESC) Plan
- Geotechnical Report
- Critical Areas Report
- Wetland Technical Report
- Integrated Contingency Plan (ICP)
- Oil/Hazardous Materials Transfer Operations Manual for Class 1 Terminals

9. Do you know whether applications are pending for governmental approvals of other proposals directly affecting the property covered by your proposal? If yes, explain.

There will be a pending air permit modification request with the Olympic Region Clean Air Agency for the existing Imperium Grays Harbor biodiesel production facility. There are no known pending applications or approvals for other proposals affecting this project.

10. List any government approvals or permits that will be needed for your proposal, if known.

- Shoreline Substantial Development Permit (SSDP), City of Hoquiam and City of Aberdeen
- Conditional Use Permit (CUP) and Variance, City of Hoquiam
- Olympic Region Clean Air Agency (ORCAA) Approval Order, State of Washington
- Grading and Building Permits, City of Hoquiam and Aberdeen
- Construction Stormwater General Permit, Ecology
- Industrial Stormwater General Permit, Ecology
- Local Fire Department Permit (including above ground storage tank permit), City of Hoquiam Fire Department
- Certificate of Industrial Insurance Coverage, Washington Department of Labor and Industry
- Fuel Registration, Environmental Protection Agency
- Hazardous Substance Use Reporting, Ecology
- Spill Prevention and Response Plan, Ecology (ICP)
- Fuel Tax License, Department of Licensing
- Letter of Intent, U.S. Coast Guard
- Facility Response Plan / Oil Spill Response Plan, U.S. Environmental Protection Agency and U.S. Coast Guard (ICP)
- Facility Security Plan and Facility Security Assessment, U.S. Coast Guard
- EPA ID number, if required

No in-water work or work within wetlands will take place, therefore no federal or state aquatic permits are required.

11. Give brief, complete description of your proposal, including the proposed uses and the size of the project and site. There are several questions later in this checklist that ask you to describe certain aspects of your proposal. You do not need to repeat those answers on this page. (Lead agencies may modify this form to include additional specific information on project description.)

The proposed project is to construct a bulk liquid storage facility on a 10.907 acre site located at the Port of Grays Harbor (PGH) (see Figure 1 Vicinity Map). This project will result in construction of a tank farm that includes storage tanks, pipelines to Terminal 1 from the tank farm, rail spurs in connection with the existing Schneider's loop rail line, and construction of new office / laboratory / maintenance / warehouse building(s). The facility will be served by three

functionally independent modes of transportation: water, rail, and truck. Each will provide pathways for inbound raw materials or outbound products (see Figure 2 Plan View and Figure 3 Section View).

The project will include construction of a tank farm that includes storage tanks, rail spurs, and pipelines. The tank farm will be permitted to allow for operational flexibility to store biofuels such as ethanol and additional feedstocks for biofuel production such as used cooking oil/waste vegetable oil and animal fat; petroleum products including naphtha, gasoline, vacuum gas oil, jet fuel, no. 2 fuel oil, no. 6 fuel and kerosene; crude oil; and renewable fuels such as renewable diesel and renewable jet fuel. These will be in addition to the existing permitted vegetable oil, biodiesel, methanol, diesel, and petroleum products. The liquids will be stored in up to nine tanks totaling up to 720,000 barrels. The tank farm will be encompassed by a berm designed in compliance with NFPA 30 requirements and will contain 100 percent of the total volume of the largest tank on site plus an additional allowance of 6 inches for a storm event.

The existing rail system will also be expanded. Approximately 6,100 feet of track in multiple new rail spurs will be constructed on site in connection with the existing rail line and the existing rail yard will be expanded. Rail car loading and unloading will be conducted in bermed, walled, or sloped areas capable of containing the maximum volume of any single compartment of a tank car. The existing road crossing at Port Industrial Road will be utilized to connect to the rail line. Connecting to the rail line will require little or no track to be constructed off site. The connection from the site to the existing railroad will be across improved areas and maintained by the Port of Grays Harbor. Inbound bulk liquid is traditionally shipped in unit trains of approximately 105 rail cars. Significant capacity is required to receive these trains and the system has been designed to handle rail car unit trains.

Pipelines will be installed connecting the PGH Terminal 1 with the tank farm. One 24-inch-diameter pipe and one 16-inch-diameter pipe will be connected from the tank farm (above grade, on pipe racks) and routed across an existing pipe bridge over the existing rail line. The two pipes will be routed (at grade, on concrete block pipe supports) to Terminal 1 following a similar route as the existing Imperium Grays Harbor piping. All pipes will be carbon steel, insulated, and heat traced. A Marine Vapor Combustion Unit (MVCU) will be installed to incinerate displaced vapors during vessel loading.

A new building or buildings will be constructed on the Imperium property to replace the existing mobile trailers. These facilities will provide offices and laboratory, maintenance, and warehouse facilities.

- 12. Location of the proposal. Give sufficient information for a person to understand the precise location of your proposed project, including a street address, if any, and section, township, and range, if known. If a proposal would occur over a range of area, provide the range or boundaries of the site(s). Provide a legal description, site plan, vicinity map, and topographic map, if reasonably available. While you should submit any plans required by the agency, you are not required to duplicate maps or detailed plans submitted with any permit applications related to this checklist.**

The site is located adjacent to the Chehalis River in the City of Hoquiam in Section 7, Range 9 West, Township 17 North of the Willamette Meridian. The project is located at the Port of Grays Harbor Terminal 1 (see Figure 1 Vicinity Map and Appendix A Legal Description).

B. ENVIRONMENTAL ELEMENTS

1. Earth

- a. General description of the site (circle one):** Flat, rolling, hilly, steep slopes, mountainous, other _____.

- b. What is the steepest slope on the site (approximate percent slope)?**

The maximum slope on the site is approximately 1 percent.

- c. What general types of soils are found on the site (for example, clay, sand, gravel, peat, muck)? If you know the classification of agricultural soils, specify them and note any prime farmland.**

Originally the site was an open water slip berth used for log transfer operations. In 1983, the Port of Grays Harbor received permits to fill the site for use as a marine cargo facility, utilizing material from the Port of Grays Harbor channel widening project. Per National Resources Conservation Service mapping, soils in the project area consist of udorthents. The parent material of udorthents is sandy and loamy river dredging.

In 2011, The Port of Grays Harbor received permits to grade the site and add approximately 13,500 cubic yards of fill.

Soils on the site are non-native fill, typical of the industrial types of lands in the area. There are no agricultural soils on the site. In June of 2006, an analysis of the site was performed by a geotechnical engineer, GeoEngineers of Tacoma, WA, on soil suitability for the project in general accordance with the 2003 International Building Code (IBC) and American Society of Civil Engineers (ASCE) 7-02. GeoEngineers will perform an additional analysis to confirm soil suitability for the project. This report will be furnished when it becomes available. Civil design and construction of the production facility will comply with the recommendations of the geotechnical engineering report and will be approved by a Washington Registered Professional Engineer.

A Phase Two Environmental Assessment identified petrochemicals within the site which may be at concentrations warranting cleanup under the Model Toxics Control Act Chapter (MTCA) RCW 70.105D and MTCA Cleanup Regulation

WAC 173-340. Further site assessment will be performed to further detail the type and concentration of contaminants and the extent of area covered. As part of development of the site a cleanup plan will be developed and implemented in accordance with WAC 173-340-745.

d. Are there surface indications or history of unstable soils in the immediate vicinity? If so, describe.

Per Washington State Department of Natural Resources' 2004 Liquefaction Susceptibility Map of Grays Harbor County, Washington, the proposed project falls in an area with moderate to high liquefaction susceptibility. Also see the attached geotechnical engineering report from June 2006 attached as Appendix B.

e. Describe the purpose, type, and approximate quantities of any filling or grading proposed. Indicate source of fill.

Earthwork will be necessary to construct the proposed tank farm and rail yard to ensure proper grade, slope, and foundation. Where cuts are made, this material will be used as fill. Other fill will be necessary for equipment foundations and for bedding the rail grade. The tank farm and rail bed will be composed of cleaned crushed rock (approximately 12,500 cubic yards) of railroad standard aggregate hauled from a commercial quarry.

f. Could erosion occur as a result of clearing, construction, or use? If so, generally describe.

The site is level, so the chances of erosion are minimal. However, slight erosion during construction is possible, and will be mitigated by applying Best Management Practices (BMPs) consistent with state and local guidelines.

g. About what percent of the site will be covered with impervious surfaces after project construction (for example, asphalt or buildings)?

Approximately 80 percent of the site will be covered with impervious surfaces after project construction. Stormwater management of runoff from impervious surfaces is discussed in Section B.3(c) of this SEPA document

h. Proposed measures to reduce or control erosion, or other impacts to the earth, if any:

A general NPDES permit will be issued by Ecology for construction. This permit will require the preparation of a TESC Plan, a Construction SWPPP, and BMPs to control the risk of erosion. To control the risk of potential liquefaction susceptibility during seismic events, the storage tanks will be supported with piles.

2. Air

- a. What types of emissions to the air would result from the proposal (i.e., dust, automobile, odors, industrial wood smoke) during construction and when the project is completed? If any, generally describe and give approximate quantities if known.**

During construction, potential emissions from construction activities will consist of dust and exhaust from construction equipment. Following construction, emissions are likely to consist of exhaust from vessel and rail engines, emissions from the MVCU and fugitive emissions of volatile organic compounds from storage tanks, valves, and fittings. Air emissions sources within the facility are managed under appropriate approvals and required permits of ORCAA. The facility as proposed will not be a “major source” under either the Prevention of Significant Deterioration (PSD), or the National Emission Standards for Hazardous Air Pollutants (NESHAP) programs. The production facility will utilize best available control technology to ensure meeting applicable ORCAA requirements.

An air permit modification application for the existing storage tanks at the Imperium Grays Harbor facility will also be prepared for ORCAA. The modification application will include the list of liquids identified in the above project description Section 11 of this SEPA document.

The Washington State Department of Ecology has published a guidance document for calculating greenhouse gas (GH) emissions for SEPA (*Guidance for Ecology Including Greenhouse Gas Emissions in SEPA Reviews*, June 3, 2011). Under this guidance, for projects that are expected to produce an average estimate of 25,000 metric tons (tonnes) or more of CO₂e¹ per year, the proponents should include a quantitative disclosure of the GHG emissions expected to be caused by the project.

¹ “Carbon dioxide equivalents” or “CO₂e” means a metric measure used to compare the emissions from various greenhouse gases based upon their global warming potential. For example, one cubic foot of methane is equivalent to 21 cubic feet of carbon dioxide, and one cubic foot of nitrous oxide is equivalent to 310 cubic feet of carbon dioxide.

**Potential greenhouse gas emissions from the Imperial Terminal Services
Project, CO₂e, metric tons**

Activity	CO ₂ e
Scope 1	
Direct stationary combustion of fossil fuels once the project is complete	21,564
Vehicle fleet emissions once the project is complete	98
Loss of carbon storage from permanent conversion of forested lands	-
Methane emissions from new landfills, wastewater treatment plants, or manure management systems	-
Scope 2	
Purchased electricity or steam consumed by the project	4,200
Scope 3	
Heavy machinery emissions during site preparation, construction, or cleanup activities	103
New on-going product transportation emissions that occur within Washington State and its three mile nautical boundary	19,098
Vehicle trips generated during construction and operation, including those of employees, customers, vendors, or residents	147
Total	45,211

The Washington Department of Ecology has also promulgated Chapter 173-441 WAC which establishes mandatory GHG reporting requirements for owners and operators of certain facilities that directly emit GHG more than 10,000 tonnes CO₂e. It should be noted that the only item described in **Error! Reference source not found.** that is required for reporting under Chapter 173-441 WAC is the direct stationary combustion of fossil fuels once that project is complete, which is 21,564 metric tons, which is the result of the combustion of natural gas in the marine vapor control unit. This unit is required to combust emissions of volatile organic compounds that are collected during the loading of ships and barges.

The vehicle fleet will drive an estimated 110,000 miles per year, which will result in the emissions of 98 metric tons CO₂e per year.

This project will not cause emissions of greenhouse gases due to loss of carbon storage and there will be no methane emissions from new landfills, wastewater treatment plants, or manure management systems.

The facility will consume approximately 10,000 mega-Watt hours of electricity, which will result in the emission of 4,200 metric tons of CO_{2e} per year.

Heavy machinery emissions during site preparation, construction, and cleanup activities will consume an estimated 10,000 gallons of diesel fuel, which will result in the emission of 103 metric tons of CO_{2e} per year.

All of the bulk liquid received at the facility are expected to be delivered by train. Assumptions for this calculation were 400 miles round trip within Washington State, 105 cars per train, and 743 barrels per tank car. This will result 18,579 metric tons of CO_{2e} due to rail transport. Bulk fuel will be sent out of the facility by ship or barge. Assuming that the typical ship or barge will have a capacity of 300,000 barrels, and the round trip from the loading dock to the three-mile limit is 40 miles, the fuel consumed by ships or tugs will result in 520 metric tons of CO_{2e}. Total potential to emit CO_{2e} due to product transportation will be 19,098 metric tons of CO_{2e} per year.

Employee, customer, or vendor vehicle use during construction will result in emission of approximately 49 metric tons of CO_{2e}, and approximately 98 tons of CO_{2e} during plant operation. Total estimated greenhouse gas emissions from employee, customer and vendor vehicular use will be approximately 147 metric tons per year.

b. Are there any off-site sources of emissions or odor that may affect your proposal? If so, generally describe.

None expected.

c. Proposed measures to reduce or control emissions or other impacts to air, if any:

Standard construction dust control measures will be used during construction. Rail and vessel emissions will be designed to minimize emissions and optimize loading and unloading efficiencies. The rail yard is designed to minimize rail engine idling and resulting emissions: rail cars are unloaded in place thereby reducing the railcar movements to one initial rail car position for unload and one final connection prior to departure. Rail car emissions will be controlled via the use of vacuum relief devices on each rail car. Tank emissions will be reduced by the installation of internal floating roofs. Vessel loading emissions will be reduced by routing through the MVCU. Air emissions from the facility will be identified and managed under appropriate approvals and required permits of ORCAA.

3. Water

a. Surface:

- 1) Is there any surface water body on or in the immediate vicinity of the site (including year-round and seasonal streams, saltwater, lakes, ponds, wetlands)? If yes, describe type and provide names. If appropriate, state what stream or river it flows into.**

Fry Creek is present on the north and west boundaries of the site. The southwest side of the site is bordered by the Chehalis River (see attached Appendix C Wetland Technical Report).

There are two existing Port of Grays Harbor outfalls to the Chehalis River in the project vicinity: one to the northwest and one to the southeast. These two outfalls are approximately 0.15 miles apart. Stormwater runoff from the project area currently discharges through the northwest outfall via Fry Creek and runoff from the existing Imperium facility discharges through the southeast outfall.

The rail line between Centralia and Grays Harbor crosses numerous streams and wetlands on fill, bridges and trestles. Bridges and trestles are addressed by a management programs under the Rail Safety Improvement Act of 2008 that includes inspection and maintenance programs.

- 2) Will the project require any work over, in, or adjacent to (within 200 feet) the described waters? If yes, please describe and attach available plans.**

Tanks, rail spurs, pipelines to Terminal 1, and MVCU will be installed within 200 feet of adjacent creek and river (see Figure 2). The pipelines to Terminal 1 will be routed on top of the existing dock structure and an existing catwalk will be removed to allow for construction of the new pipelines. This project will incorporate spill prevention equipment, operating procedures, and personnel training prior to a liquid transfer operation. There will be no in-water work, no shading over adjacent shore areas, and no work below the ordinary high water mark.

- 3) Estimate the amount of fill and dredge material that would be placed in or removed from surface water or wetlands and indicate the area of the site that would be affected. Indicate the source of fill material.**

No fill or dredge material will be placed in or removed from surface waters or wetlands.

- 4) Will the proposal require surface water withdrawals or diversions? Give general description, purpose, and approximate quantities if known.**

No surface water will be withdrawn or diverted, other than stormwater runoff, as indicated in Section B3(c).

5) Does the proposal lie within a 100-year floodplain? If so, note location on the site plan.

No, the project site does not lie within a 100-year floodplain, per FEMA Flood Insurance Rates Maps. The project area is mapped as being in Flood Zone C, which is classified as “Areas outside the 1 percent annual chance floodplain, areas of 1 percent annual chance sheet flow flooding where average depths are less than 1 foot, areas of 1 percent annual chance stream flooding where the contributing drainage areas is less than 1 square mile, or areas protected from the 1 percent annual chance flood by levees” (FEMA 1997). The FEMA Flood Insurance Rate Map is for the Cities of Aberdeen, and Hoquiam, WA (map panel #5300580003B).

6) Does the proposal involve any discharges of waste materials to surface waters? If so, describe the type of waste and anticipated volume of discharge.

No discharge of waste materials to surface waters is expected. No discharge will be generated at the facility other than stormwater runoff, as indicated in Section B3(c).

b. Ground:

1) Will ground water be withdrawn, or will water be discharged to ground water? Give general description, purpose, and approximate quantities if known.

No groundwater will be withdrawn and no water will be discharged to groundwater.

2) Describe waste material that will be discharged into the ground from septic tanks or other sources, if any (for example: Domestic sewage; industrial, containing the following chemicals: ___; agricultural; etc.). Describe the general size of the system, the number of such systems, the number of houses to be served (if applicable), or the number of animals or humans the system(s) are expected to serve.

The project will not require any discharges into the ground. Sewer services for the new offices and laboratory buildings will be served by City of Aberdeen wastewater treatment plant.

c. Water runoff (including stormwater):

1) Describe the source of runoff (including storm water) and method of collection and disposal, if any (include quantities, if known). Where will this water flow? Will this water flow into other waters? If so, describe.

Runoff outside the tank farm and rail areas will continue to flow to the Port of Grays Harbor stormwater system. Runoff sources will be stormwater only.

There are two existing Port of Grays Harbor outfalls to the Chehalis River in the project vicinity: one to the northwest and one to the southeast. These two outfalls are approximately 0.15 miles apart. Stormwater runoff from the project area currently discharges through the northwest outfall via Fry Creek and runoff from the existing Imperium facility discharges through the southeast outfall.

Stormwater runoff that accumulates in the proposed tank farm and rail area will be assumed to be non-contact, will be contained in bermed areas, verified prior to discharge, and treated through an oil/water separator. This stormwater will then be routed to the southeast outfall under an NPDES discharge permit. In the event that the water is contaminated and does not meet discharge criteria, it will be treated as required under the permit or sent offsite to a facility permitted to accept it.

In the unlikely event that the waters have enough contamination to make them a dangerous waste, they will be manifested and sent to a permitted facility.

2) Could waste materials enter ground or surface waters? If so, generally describe.

Waste materials are not expected to enter the ground or surface waters. Containment will be installed in all tank farm and rail areas with capacity to contain the largest tank or rail car, respectively, plus a 6-inch allowance for a storm event in compliance with NFPA 30 requirements. The tank farm will have concrete or covered bentonite membrane system containment. The tank farm storage tanks will be on grade level or elevated foundations (no below grade tanks or piping), within bermed areas constructed of an impervious material.

An impervious liner will be constructed to contain the entire tank farm. The liner will consist of a concrete or covered bentonite clay membrane liner designed and approved by a registered State of Washington Geotechnical Engineer. All tanks will be monitored for leaks using electronic leak detection devices. The collection sump will also be monitored continuously by conductivity meters or other devices to determine if product is being collected in the sump.

Rail car loading and unloading will be conducted in bermed, walled, or sloped areas capable of containing the maximum volume of any single compartment of a tank car. In the event of a rail spill, the collection sump(s) for the rail containment area(s) will be pumped to the tank farm oil/water separator or emptied by tank truck for off-site disposal at an approved facility.

3) Proposed measures to reduce or control surface, ground, and runoff water impacts, if any:

The project will be designed to comply with all federal, state, and local regulations, controlling potential risks to water resources through project planning, design, and the application of required BMPs. With these risks controlled, no operational or construction-related adverse impacts on water resources are expected.

During construction, risks will be controlled through stormwater management BMPs that will be applied for following the requirements of the construction SWPPP. These BMPs may include the use of silt fences, temporary stormwater ponds, or other appropriate methods.

During operation, the facility will control risks by following the Industrial SWPPP and SPCC to prevent liquid products from leaving the containment areas. Spill kits will be placed in strategic and easily accessible locations for use if small spills occur. If an uncontained spill should occur, the operator will notify Ecology of the situation as required by law.

Existing potential water contamination resulting from petrochemicals within soils on the site will be addressed by a cleanup plan will be developed and implemented in accordance with WAC 173-340-745.

4. Plants

a. Check or circle types of vegetation found on the site:

- deciduous tree:** alder, maple, aspen, other
- evergreen tree:** fir, cedar, pine, other
- shrubs:** Himalayan blackberry, Scot's broom
- grass:** various pasture grasses
- pasture**
- crop or grain**
- wet soil plants:** reed canarygrass, common rush, other
- water plants:** water lily, eelgrass, milfoil, other
- other types of vegetation**

b. What kind and amount of vegetation will be removed or altered?

Existing non-native grasses and shrubs will be removed during construction activities.

c. List threatened or endangered species known to be on or near the site.

The Washington Natural Heritage Program GIS dataset (Washington DNR 2012) was reviewed on December 5, 2012. No ESA-listed or State-listed threatened or endangered plant species have been documented within a 1-mile radius of the project area.

d. Proposed landscaping, use of native plants, or other measures to preserve or enhance vegetation on the site, if any:

The City of Hoquiam Landscaping and Screening ordinance (HMC 10.05.065) requires that 18 inches total caliper of new deciduous trees (min. 2 in. caliper DPH at 4.5 ft. above ground) and 18 ft. total height of new evergreen trees (min. 3 ft. height) be planted per gross acre of construction. For the 10.907 acre site, this dictates 194.4 total caliper inches of deciduous trees (129 trees at 1.5 caliper each) and 194.4 ft. total height of evergreen trees (65 trees at a minimum 3 foot height). Imperium will submit a Landscape Plan for approval in compliance with HMC 10.05.065 Table 4 "Minimum Planting Standards for New Development" which will detail Imperium's plan to plant trees near the entrance of the facility near Port Industrial Road in the northeast corner of the site adjacent to Fry Creek.

5. **Animals**

a. **Circle any birds and animals which have been observed on or near the site or are known to be on or near the site:**

Birds: hawk, heron, eagle, songbirds, other: loon, Peregrine falcon

(The area is within the City of Hoquiam Peregrine Falcon Management Area.)

According to data from the WDFW Priority Habitats and Species system (WDFW 2012a), the project site falls within a peregrine falcon wintering area that encompasses much of Grays Harbor. WDFW (2005) provides the following management recommendations for peregrine falcon wintering areas:

- Peregrine falcons can tolerate human presence at wintering sites if they are not harassed and if abundant prey remains.
- Maintain all large trees and snags in areas where peregrine falcons are known to feed in winter.
- Retain snags and debris located on mud flats for winter perching and roosting.
- Strictly protect wetlands (especially intertidal mudflats, estuaries, and coastal marshes) used regularly at any time of the year by peregrine falcons from filling, development, or other excessive disturbances that could alter prey abundance.
- Do not apply pesticides where winter prey species congregate (especially intertidal mudflats, estuaries, and coastal marshes).

The proposed project does not entail any large tree or snag removal, wetland disturbance, or pesticide application and is, therefore, expected to comply with the management recommendations for peregrine falcon wintering areas.

No other priority bird species have been documented at the project site, and no other priority areas occur within 0.5 mile. At a more regional scale, Grays Harbor includes priority areas for numerous species. Data from the WDFW Priority Habitats and Species system (WDFW 2012a) identify priority areas for the following bird species in Grays Harbor: bald eagle (breeding territories), Caspian tern (breeding colonies), great blue heron (breeding areas), peregrine falcon (nest site and wintering areas), purple martin (breeding areas), shorebirds (regular concentrations), snowy plover (breeding areas), streaked horned lark (breeding areas), various species of gull (breeding colonies), and waterfowl (regular concentrations).

Habitat includes the Bowerman Basin National Wildlife Refuge, Washington Department of Fish and Wildlife Wildlife Recreation Areas, state parks and a variety of public and private land in Grays Harbor and the Pacific coast.

The most commonly occurring bird species within Grays Harbor are listed below, in descending order of occurrence, as observed during Christmas bird counts between 1974 and 2008 (Audubon Society 2008):

- European starling
- Mallard
- Gulls and terns
- Canada goose
- Northern pintail
- Western sandpiper
- Song sparrow
- Killdeer
- Red-tailed hawk

Mammals: deer, bear, elk, beaver, other:

No priority mammal species have been documented at the project site, and no priority areas occur within 0.5 mile. At a more regional scale, Grays Harbor includes priority areas for two mammal species. Data from the WDFW Priority Habitats and Species system (WDFW 2012a) identify priority areas for the following mammal species in Grays Harbor: California sea lion (haulouts) and harbor seal (breeding area and haulouts). A variety of mammals use waters of the Pacific and may use marine habitats in Grays Harbor, but only rarely. These include the gray whale, humpback whale, blue whale, fin whale, sei whale, sperm whale, and Steller sea lion.

Fish: bass, salmon, trout, herring, shellfish, other:

The lower reaches of Fry Creek adjacent to the project site support coho salmon and cutthroat trout (WDFW 2012a, b). Both species use the stream for migration, and coho salmon rear in that portion of the stream (WDFW 2012a,b).

Pacific herring spawning has been documented in many nearshore areas in Grays Harbor, particularly in the southern portion of the bay (WDFW 2012a). No Pacific herring spawning areas have been identified within 0.5 mile of the project site. In addition to coho salmon and cutthroat trout, the following anadromous salmonids have been documented in the Chehalis River and are likely to use nearshore habitats near project site: bull trout, Chinook salmon (spring, summer, and fall runs), steelhead (summer and winter runs), and chum salmon (fall run) (WDFW 2012b).

Shellfish growing areas are located in a variety of areas in Grays Harbor and on the Pacific coast and supports commercial aquaculture, recreational gathering and tribal resource areas.

b. List any threatened or endangered species known to be on or near the site.

Data from the Washington Department of Fish and Wildlife Priority Habitats and Species (PHS) system were reviewed in December 2012. No ESA-listed or State-

listed threatened or endangered species have been documented at the project site (WDFW 2012a). Several listed species, however, may use habitats in nearby areas of Grays Harbor.

The marbled murrelet, an ESA-listed and State-listed threatened species, nests in forests south and north of Grays Harbor and periodically forages for small fish in Grays Harbor. Speich and Wahl (1995) reported that, over a 23-year period, marbled murrelets were recorded in Grays Harbor Channel in every month of the year. The general pattern of occurrence was one of high average densities during the spring, fall, and winter months, with higher densities in habitats closer to shore. No murrelet use has been documented within 1 mile of the project site.

The brown pelican is a State-listed endangered species. The U.S. Fish and Wildlife Service removed the brown pelican from the ESA list of endangered and threatened species in November 2009 (74 Federal Register 59443-59472). Pelicans occur in Grays Harbor primarily during the summer months, with peak abundance typically occurring in August (Jaques and O'Casey 2006) after pelicans have left their breeding grounds in California and Mexico. Pelicans forage in Grays Harbor and use sandbars and sand islands as roost sites. They also roost on manmade features such as breakwaters.

The western snowy plover is an ESA-listed threatened species and a State-listed endangered species. The Pacific coast population breeds primarily above the high tide line on coastal beaches, sand spits, dune-backed beaches, sparsely vegetated dunes, beaches at creek and river mouths, and salt pans at lagoons and estuaries (NatureServe 2012). WDFW (2012a) identifies breeding sites near the mouth of Grays Harbor, more than 10 miles from the project site.

The streaked horned lark is a State-listed endangered species and is a candidate for listing under the ESA. The streaked horned lark nests on grasslands and sparsely vegetated areas at airports, sandy islands, and coastal spits, including sites near the mouth of Grays Harbor (WDFW 2012a), more than 10 miles from the project site.

The southern resident killer whale is an ESA-listed and State-listed endangered species. Southern resident killer whales were once thought to range southward along the Washington Coast only to about Grays Harbor (Bigg et al. 1990); however, recent sightings have suggested that the southern extent of their range is considerably farther south (NMFS 2008a). Observations of southern resident killer whales offshore of Grays Harbor and in the Westport vicinity are infrequent (NMFS 2008a).

Several other species of ESA-listed and State-listed marine mammals use waters of the Pacific and may use marine habitats in Grays Harbor, but only rarely. These include the gray whale, humpback whale, blue whale, fin whale, sei whale, sperm whale, and Steller sea lion. The nearest documented haulout sites

for Steller sea lions are the South Jetty at the entrance to the Columbia River, approximately 50 miles to the south, or in the vicinity of Split Rock approximately 40 miles to the north of the entrance to Grays Harbor (Jeffries et al. 2000). Gray whales, known as the Pacific Coast Feeding Group, migrate along the Washington coast line with the southbound migration peaking in December, and the northbound migration peaking first in late March and in early June when mostly females with calves pass by (Calambokidis et al.1994).

Fish from the southern distinct population segment of green sturgeon, which is ESA-listed as threatened, regularly appear in the waters of Grays Harbor and the mouth of the Chehalis River. This population spawns primarily in the Klamath/Sacramento River system but individuals from the population travel extensively. Grays Harbor is considered to provide important over-summering habitat for fish from both the northern and southern populations (Dumbauld et al. 2008; NMFS 2008b).

The southern distinct population of eulachon is ESA-listed as threatened. Adult eulachon are described as “common” in Grays Harbor (Monaco et al. 1990; Emmett et al. 1991). Historically, the Columbia River has supported the largest returns of any spawning population throughout the species’ range; spawning also occurs in some of the rivers that feed into Grays Harbor (Gustafson et al. 2010).

Of the salmonid fish species identified in the preceding section, only the Coastal-Puget Sound distinct population segment of bull trout has ESA or State listing status (as threatened) in Grays Harbor. Bull trout are only rarely observed in Grays Harbor (Jeanes et al. 2006). Although no local spawning population of bull trout is believed to inhabit the Grays Harbor system, the system provides foraging, migration, and overwintering habitat for coastal populations including the Quinault River population (USFWS 2004).

c. Is the site part of a migration route? If so, explain.

The project site is in the Pacific Flyway, which is a flight corridor for migrating waterfowl and other avian species. The Pacific Flyway extends from Alaska to South America. Grays Harbor National Wildlife Refuge is approximately 3 miles from the project site. As many as 24 species of shorebirds use Grays Harbor Refuge, with the most abundant species being western sandpiper and dunlin. Semi-palmated plover, least sandpiper, red knot, and black-bellied plover are also common during migration. The refuge is also used by peregrine falcon, bald eagle, northern harrier, Caspian tern, great blue heron, songbirds, and a variety of waterfowl (USFWS 2012).

Also, as described above, fish use Grays Harbor and Fry Creek for migration. The proposed project does not involve any in-water work in Fry Creek and is not anticipated to affect the migratory route of any species in that stream.

d. Proposed measures to preserve or enhance wildlife, if any:

The tank farm which includes storage tanks, piping, and adjacent rail area will be contained and controlled.

The potential for adverse effects on fish and wildlife due to increased shipping traffic in Grays Harbor is minimal. The biological assessment for the State Route 520 pontoon construction project in Grays Harbor (WSDOT 2010) determined that operation of vessels associated with pontoon construction, maintenance, and transport had the potential to affect fish, birds, and marine mammals, but the potential for adverse interactions would be reduced or eliminated by the slow speeds of the vessels.

The potential for adverse effects due to an increased risk of oil spills in Grays Harbor will be addressed through implementation of the provisions of the federal Oil Pollution Act (OPA) and State of Washington contingency planning requirements (WAC). These regulations require oil storage facilities and vessels to develop plans detailing how they will respond to large discharges. The U.S. Environmental Protection Agency has published regulations for aboveground storage facilities and the Coast Guard has done so for oil tankers. The OPA and WAC also require the development of contingency plans to prepare and plan for oil spill response on a regional scale. Imperium Renewables currently complies with the above federal OPA, U.S. Environmental Protection Agency, and Coast Guard regulations for their existing operations in Grays Harbor and will expand their compliance to include the new operations.

Measures required through the City of Hoquiam and City of Aberdeen shoreline substantial development permitting processes would further reduce the risk of adverse effects resulting from the proposed project. Under the rules implementing the Shoreline Management Act, local shoreline management programs are required to provide a level of protection for wetlands, vegetation, and other shoreline resources that ensures “no net loss of shoreline ecological functions necessary to sustain shoreline natural resources” (WAC 173-26-221(2)(a), WAC 173-26-221(5)). Management standards imposed through these programs for the protection of sediment transport processes, water quality, aquatic vegetation, and shoreline vegetation would minimize the potential for adverse effects on species that use habitats in shoreline and nearshore areas.

6. Energy and natural resources

a. What kinds of energy (electric, natural gas, oil, wood stove, solar) will be used to meet the completed project's energy needs? Describe whether it will be used for heating, manufacturing, etc.

The facility will receive electricity through the Grays Harbor PUD to provide power for lighting and for rail and vessel loading and unloading pumps. Peak power consumption will occur during vessel loading and will be less than 1 megawatt.

The tank farm will include a MVCU utilizing natural gas from Cascade Natural Gas. The MVCU will only consume natural gas during vessel loading activities. Natural gas may also be used intermittently to generate steam to heat the contents of the tanks and to preheat rail cars to facilitate off-loading of viscous product. The steam will be provided via the neighboring Imperium Grays Harbor biodiesel production facility.

b. Would your project affect the potential use of solar energy by adjacent properties? If so, generally describe.

No, this project will not shade adjacent parcels or affect the potential use of solar energy on adjacent properties.

c. What kinds of energy conservation features are included in the plans of this proposal? List other proposed measures to reduce or control energy impacts, if any:

All pumps, motors, electrical equipment and process technology equipment will include the most energy efficient systems for proficient operations.

Heated storage tanks will be insulated for energy conservation.

7. Environmental health

a. Are there any environmental health hazards, including exposure to toxic chemicals, risk of fire and explosion, spill, or hazardous waste, that could occur as a result of this proposal? If so, describe.

Risk of exposure to potentially toxic chemicals present in some of the bulk liquids will require compliance with current health, safety, and operational requirements which will limit potential impacts and provide for adequate analysis and mitigation of potential adverse impacts in accordance with RCW 43.21C.240.

The risk of fire and explosion will be addressed by compliance with standards of the International Fire Code (IFC) which will limit impacts and provide for adequate analysis and mitigation of potential adverse impacts in accordance with RCW 43.21C.240. Some of the bulk liquids are flammable. If these substances are involved in a spill, there is a potential to ignite. Fire would most likely be restrained to the site. Imperium will continue its partnership with the local fire department to maintain an Emergency Preparedness Plan incorporating the use of the City of Hoquiam Foam Tender truck and the Imperium Grays Harbor on-site foam trailer that is appropriate for the materials stored and handled. The site will be designed for emergency vehicle access.

Spill prevention plans for all materials will be implemented.

Marine and rail shipping will require oversight by trained personnel during product transfer. All Occupational Safety and Health Administration (OSHA) and Washington Industrial Safety and Health Act (WISHA) health and safety

requirements will be followed. On-site equipment-specific training will be required for applicable employees.

All storage tanks and land product transfer areas will be contained. If a spill occurs, the product will be contained on site.

Specific railroad safety requirements related to the carriage of hazardous materials are outlined in the Transportation Title of the Code of Federal Regulations, 49 CFR, Parts 171-174 and 178-180. These regulations address specific actions, including emergency response, and regulations regarding the design of railroad tank cars, which must be taken by railroads. They also include incident reporting requirements, as well as preventative measures, such as the manner in which hazardous materials are contained, the manner in which employees are trained, and the way in which railcars must be handled.

In addition, 49 CFR Parts 200-299 regulate the operation of trains, identify minimum safety standards for track and equipment (and set higher minimum standards for tracks over which hazardous materials are transported), and reporting requirements (in addition to the reporting requirements in 49 CFR Parts 171-180). The potential for rupture of railroad tank cars is dependent on both the design/construction of the cars and the speed at which they operate. The speeds on the Puget Sound and Pacific Railroad between Centralia and Grays Harbor are within the range in which head and shell impacts from derailment are less likely to result in rupture (Tyrell 2007). If a spill occurs during rail transit, the railroads must notify the National Response Center, the State Emergency Management Division, and the appropriate regional office of Ecology. In the event of a release, the railroad that provides rail services between Centralia and Grays Harbor (Puget Sound and Pacific Railroad) also contacts their dispatching center and local supervisory personnel to notify them of the release. The local supervisor (Train Master) refers to the Emergency Response Guidebook (carried by all Train Masters) to define the appropriate response procedures specific to the material released. The Dispatch Center contacts first responders to notify them of the release and mobilize them to the site and the Dispatch Center contacts the local Environmental Response contractor to begin spill response.

According to the Association of American Railroads (AAR 2008), 99.998% of rail shipments involving hazardous materials are completed without a release caused by train accident. Per the American Petroleum Institute (API 2009) only 0.73% of the annual US oil spillage between 1998 and 2007 is attributed to railroads. Overall, the risk of spill of oil or other materials during rail transit that could occur as a result of this proposal is relatively low.

The rail line between Centralia and Grays Harbor crosses numerous streams and wetlands on fill, bridges and trestles. Bridges and trestles are addressed by a management programs under the Rail Safety Improvement Act of 2008 that

includes inspection and maintenance programs. Spills at locations where water resources may be impacted are subject to higher inspection and maintenance requirements and may be considered somewhat less likely than on other portions of the rail line.

If a spill occurs during over-water transfers of product, the Integrated Contingency Plan will be followed, which will limit impacts and provide for adequate analysis and mitigation of potential adverse impacts in accordance with RCW 43.21C.240. Ecology and the U.S. Coast Guard will be notified to oversee and assist with containment.

See Appendix D for Material Safety Data Sheets (MSDSs) for ethanol, vegetable oil, animal fat, naphtha, gasoline, vacuum gas oil, jet fuel, kerosene, crude oil, biodiesel, methanol, diesel, and sodium methyrate.

Additional vessel and barge trips through Grays Harbor can increase the risk of spills of oil cargo and fuels used to propel vessels and tow boats.

Strategies to control risk include a collection of established physical elements and procedural elements. Physical elements include engineered safety features, such as vessel construction with various physical barriers and containments, (particularly double hulls for tankers) as well as automatic controls, redundancy, and warning systems. Procedural elements include personnel training, rules and procedures, training, drills, administrative controls and, oversight and enforcement (Michel and Winslow 1999). Spills investigated by the Washington Department of Ecology indicate that human factors such as inattention and judgment and organizational factors relating to procedures and training are the primary “root causes” of spills (Ecology 2012a).

The probability of damage resulting from an incident is largely related to the design, age and maintenance of the vessel. In general, newer double hull vessels are less likely to be damaged to the extent that oil outflow occurs.

Environmental factors such as substrate (particularly whether rocks are present that may penetrate hulls) as well as environmental factors such as wind and waves affect the structural integrity and the releases of materials. Groundings on sandy substrate (such as is present in Grays Harbor and adjacent areas of the Pacific) is generally less of an immediate structural hazard than penetration by rocks (Daidola1995).

Control of spills from vessel operation is largely controlled by the U.S. Coast Guard. Response to spills in Washington State is coordinated by the Ecology Spill Prevention, Preparedness and Response Program funded by a 5-cent-per-barrel tax on imported oil and general revenues. The Ecology program includes a number of elements including (Ecology 2012b):

- Review and approval of spill contingency plans maintained by operators to assurance that plan holders and spill response contractors maintain their readiness through scheduled and unannounced drills.
- Partnerships with other agencies to maintain a regional contingency plan that guides how spills are managed in the Northwest.
- Development and update of Geographic Response Plans (GRPs) in consultation with other natural resource experts and communities.
- Inspecting facilities, vessels, and oil-handling facility transfers
- Rapidly responding to and cleaning up of oil and hazardous material spills.
- Restoring public natural resources damaged by oil spills

A GRP has been developed for Grays Harbor. The GRP is intended to help the first responders to a spill and serves as the federal and state on-scene coordinators "orders" during a spill.

All response strategies fall into one of three major techniques that may be utilized either individually or in combination.

- Dispersants. Washington State Policy currently does not allow use of dispersants in this area.
- In Situ Burning. It is unlikely that this technique will be employed in this area due to the proximity of population to a potential burn site.
- Mechanical Recovery and Protection Strategies. When in situ burning or dispersants are not appropriate, key strategies are skimming and use of collection, diversion, or exclusion booms to contain and recover the oil. These measures prevent oil from entering areas with sensitive wildlife and fisheries resources. Specific skimming strategies are not listed in the maps and matrices, but skimming should be used whenever possible and is often the primary means of recovering oil and protecting resources, especially when booming is not possible or feasible.

The GRP identifies 15 geographic areas where spills are likely to occur; identifies sensitive resources that would likely be impacted within the initial hours of the spill; and identifies booming strategies for each of the "Potential Spill Origins" based on the sensitivity of resources, feasibility, etc. Control and containment at the source is the number one priority of any response (Ecology 2003).

Overall, the risk of spill of oil or other materials that could occur as a result of this proposal is relatively low and within the parameters for risk management developed for the marine transport industry. Compliance with the programs for spill avoidance administered by the U.S. Coast Guard, U.S. Environmental Protection Agency and Ecology will limit impacts and provide for adequate

analysis and mitigation of potential adverse impacts in accordance with RCW 43.21C.240. Through the implementation of a Spill Prevention and Response Plan, Ecology will address the greatest risks of potential spills during the loading and unloading process.

Imperium has loaded/unloaded 57 vessels since 2006 without incident and currently maintains an Integrated Contingency Plan (ICP). This ICP incorporates, and is intended to meet requirements contained in:

- U.S. Coast Guard (USCG) Facility Response Plan requirements, 33 CFR 154
- U.S. Environmental Protection Agency's (EPA's) Oil Pollution Prevention, 40 CFR 112.7(d) and 112.20-.21.
- OSHA's Emergency Action Plan Regulations - 29 CFR 1910.38
- EPA's Resource Conservation and Recovery Act (RCRA) Contingency Planning Requirements – 40 CFR Part 265, Part D
- WDOE Oil Spill Prevention and Contingency Planning requirements – WAC 173-182
- WDOE Dangerous Waste Regulation, Chapter 173-303-145.

This plan will be updated to reflect the largest tank storage proposed in this project (from 47,620 bbls to 80,000 bbls) and the resultant on water storage required (approximately 8,000 bbls for the 6 and 12 hour timeframe). In addition, Imperium will contract with local and national Spill Response Companies to provide the required 18,500 bbls and 25,000 bbls (24 and 48 hour timeframe respectively) on water storage. It is important to note that all inbound and outbound vessels will be covered by the WA State Maritime Cooperative Oil Spill Contingency Plan (WSMC).

In addition, Imperium will continue to follow the Facility Transfer Operations Manual and/or Best Management Practices – (BMP) before, during and after the transfer of material by:

- Notifying Washington State Maritime Cooperative (WSMC) and Ecology of any vessels arriving, etc. as soon as the vessel is confirmed. Vessels calling on the Port of Grays Harbor must be enrolled with WSMC or have a State approved contingency plan.
- Identifying worst case discharge volume of the vessel and communicate to WSMC, NRCES and Ecology.
- Arranging for escort tug(s) to meet the vessel and escort it to the Chehalis River and during mooring procedures.
- Arranging for third party to provide a skimmer vessel (OSRV) positioned at Imperium's Terminal during transfer.

- Pre booming if it is safe and effective or arranging for third party to provide a boom boat positioned at the terminal during transfer.
- During the entire transfer operation, an Imperium Terminal Person In Charge (TPIC) will be in attendance at the dock as will required long shore men and Vessel Person In Charge (VPIC).

Given that Grays Harbor does not have a Vessel Traffic Service to coordinate vessel traffic and is not subject to RCW 88.16.190, Imperium works directly with the Port of Grays Harbor, pilots and vessel agents to coordinate the ship arrival and departure as per suitable tidal windows. In addition, all vessel traffic on the coast of Washington State and in the Port of Grays Harbor are monitored by the Marine Exchange of Puget Sound (Marex). Marex is an industry funded Vessel Traffic Service (VTS). They have 'real time' monitoring via the Automated Information System (AIS). Marex is an additional resource for the maritime industry to ensure safe transits.

If the entrance to the Port of Grays Harbor is closed due to conditions, the US Coast Guard and Grays Harbor Licensed Pilots will coordinate ship logistics until the entrance to the port is opened. Vessel traffic meeting and overtaking situations are coordinated via VHF radio. A safe anchorage is located inside the harbor at buoys 13 and 14 and can be utilized for vessel staging if required. The Grays Harbor Licensed Pilots will assume responsibility to determine when travel across the bar is safe once the closure of the port entrance is lifted. Bar monitoring is part of the Columbia River Bar system. The tugboats located in Grays Harbor are capable of providing assistance offshore. All three tugboats have tow winches that are equipped with a steel tow wire. Tug and Barge companies operating in the Port have additional tugboats that can be positioned in Grays Harbor if warranted. Besides Neah Bay, there are additional tugs stationed in Astoria, Oregon that can be utilized in response situations.

Per Imperium's Best Management Practice (BMP) the vessel will be met at the entrance to the Port of Grays Harbor by an escort tug for travel down the Chehalis River. Once the vessel is ready to dock, a second tug will be employed to assist. Imperium is a member of the Grays Harbor Safety Committee and will continue to contribute and participate in developing appropriate guidelines and Standards of Care for marine operations for the Port of Grays Harbor.

The largest vessel expected to be loaded at Terminal 1 is a Panamax class vessel (60,000 to 80,000 DWT) and 300,000 to 350,000 bbls of cargo capacity. Ocean going barges will also be loaded with capacities of up to 150,000 bbls. These ships and barges are subject to US Coast Guard, State and Federal design, construction and operation regulations. Oil Tankers are required to be Double Hulled at ports /

terminals. General tankage layouts tend to be 1-6 Port & Starboard cargo tanks with also Slops Port & Starboard being used in some cases to hold cargo as well. General engineering, cargo handling, and navigation systems are regulated by USCG, Class Society (ABS and DNV), Ship Owners Policy, Flag State Requirements, and various State and Governmental agencies that have regulations set forth for entering and trading within the United States Waterways.

1) Describe special emergency services that might be required.

Imperium Terminal Services, LLC, will work with all regulating agencies to ensure all bulk materials on site will be properly stored, handled, and used in accordance with all emergency services providers. The facility will maintain a list of emergency services that may be required including fire, ambulance, Ecology and U.S. Coast Guard contacts for spill control, etc. An emergency preparedness plan will be filed with the local fire department which will include chemical storage data and locations.

2) Proposed measures to reduce or control environmental health hazards, if any:

Imperium Terminal Services will have significant procedures and engineering controls in place to prevent releases of raw materials and products that will be loaded and unloaded. The bulk tank farm will be constructed to American Petroleum Institute (API) 650 standards with impervious containment to capture the largest tank and accumulated precipitation. Tanks will be equipped with over-pressure protection, high-level alarms, floating roofs, foam blanketing fire protection, and emergency overflows into the containment area. Tanks will be inspected and repaired in accordance with the most recent revision of API 653. Rail car loading and unloading will be conducted only in contained areas.

The pipelines to the terminal will be of welded steel, constructed per ASME B31 Code for Pressure Piping, and tested per applicable regulations. Unloading operations will be continuously staffed during all transfer operations. The load/unload operations will be in compliance with the U.S. Oil Pollution Control Act and in conformance with an approved SPCC Plan approved by a Registered Professional Engineer.

Imperium Terminal Services, LLC has discussed the project with the City of Hoquiam Fire Department and designed the project to meet building setbacks for fuel storage, collection vents and flame arrestors on tanks, and will not allow open flames on site.

Specific containment for on-site chemicals includes:

- Flammable Liquid Storage. Risks will be mitigated with full tank containment, foam blanketing fire suppression, and suppression (floating roofs) of vent gasses.

- Vessel Loading Vapor Emissions. Risks will be mitigated with vent collection, and incineration through a Marine Vapor Emission Control System in compliance with U.S. Coast Guard regulations published in 33 CFR 154 and NVIC 1-96.

These measures will limit impacts and provide for adequate analysis and mitigation of potential adverse impacts in accordance with RCW 43.21C.240.

b. Noise

1) What types of noise exist in the area which may affect your project (for example: traffic, equipment, operation, other)?

This project will occur in an active industrial and shipping area. Noises from the project are expected to be similar to Imperium’s current operation and are typical for the area.

2) What types and levels of noise would be created by or associated with the project on a short-term or a long-term basis (for example: traffic, construction, operation, other)? Indicate what hours noise would come from the site.

Both in the short-term and long-term, noise increases will be associated with operation of rail in the area and motor noise associated with the off-loading equipment (electric motors), which will normally operate 24 hours per day, 7 days per week.

During construction, noise generated will be limited to typical working hours and will include truck traffic and typical construction noise. Pile driving for tank foundations will be the only likely source of off-site comment.

3) Proposed measures to reduce or control noise impacts, if any:

The construction and use of the proposal will meet noise standards of the Cities of Hoquiam and Aberdeen and the standards of WAC 173 60 which will limit impacts and provide for adequate analysis and mitigation of potential adverse impacts in accordance with RCW 43.21C.240.

8. Land and shoreline use

a. What is the current use of the site and adjacent properties?

The existing site is vacant industrial. The site is bordered by Fry Creek on the north and west sides, the Chehalis River on the southwest side, additional port properties west of the creek, to the east by industrial facilities including Imperium Grays Harbor’s biodiesel production facility and Westway’s methanol storage terminal, and to the north by the railroad and Port Industrial Road.

b. Has the site been used for agriculture? If so, describe.

No.

c. Describe any structures on the site.

A dock and pipe bridge with piping are adjacent to the site.

Industrial facilities including Imperium Grays Harbor's storage tanks and biodiesel production facility and Westway's methanol storage terminal are located to the east.

d. Will any structures be demolished? If so, what?

As part of the construction at Terminal 1, an existing catwalk on the dock facilities will be removed. The catwalk is located over the existing pipe racks and its removal is necessary to allow for construction of the new pipelines. This catwalk will not be replaced following construction because it is no longer utilized.

e. What is the current zoning classification of the site?

Current land use designation is Heavy Industrial (for both the City of Hoquiam and City of Aberdeen).

f. What is the current comprehensive plan designation of the site?

Per Grays Harbor County's Generalized Land Use Plan Map (May 1989) the project area is designated as industrial. The Land Use Map was prepared as part of the Industrial Lands Study for Grays Harbor County, the City of Hoquiam, the City of McCleary, and Grays Harbor Regional Planning Commission in May 1989 (Map 1, page 22).

g. If applicable, what is the current shoreline master program designation of the site?

The shoreline master plan designation for the site is "urban" in both Hoquiam and Aberdeen.

h. Has any part of the site been classified as an "environmentally sensitive" area? If so, specify.

Fry Creek and the Chehalis River are adjacent to the site and have been classified as environmentally sensitive.

The proposed expansion falls within the Geologically Hazardous Areas designation of the Cities of Hoquiam and Aberdeen Critical Areas Ordinance, specifically Liquefaction, Seismic and Tsunami. It is not anticipated that the proposed project will have an adverse effect on these environmentally sensitive areas. Compliance with the Critical Area Ordinances will limit impacts and provide for adequate analysis and mitigation of potential adverse impacts in accordance with RCW 43.21C.240

i. Approximately how many people would reside or work in the completed project?

Approximately 60 jobs will be created during construction. Approximately 15 to 20 employees will work in the completed project. No employees will reside in the completed project.

j. Approximately how many people would the completed project displace?

No people will be displaced by the project.

k. Proposed measures to avoid or reduce displacement impacts, if any:

None required.

l. Proposed measures to ensure the proposal is compatible with existing and projected land uses and plans, if any:

The proposal will take place in both the City of Hoquiam and the City of Aberdeen. Since the majority of the project is within the City of Hoquiam, the City of Hoquiam is the lead agency for the Shoreline Substantial Development Permit. This project is allowed under the Conditional Use Permit and is consistent with land use and comprehensive plans for both the City of Hoquiam and the City of Aberdeen. Since there will be greater than 1 million gallons of liquid fuels stored on site, Ecology will be a co-lead agency on SEPA.

9. Housing

a. Approximately how many units would be provided, if any? Indicate whether high, middle, or low-income housing.

N/A

b. Approximately how many units, if any, would be eliminated? Indicate whether high, middle, or low-income housing.

N/A

c. Proposed measures to reduce or control housing impacts, if any:

N/A

10. Aesthetics

a. What is the tallest height of any proposed structure(s), not including antennas; what is the principal exterior building material(s) proposed?

The maximum height of any structure will be the liquid storage tanks, which will be made of steel. The maximum height of the tanks in the tank farm will be 60 to 70 feet.

b. What views in the immediate vicinity would be altered or obstructed?

Adjacent parcels are currently under industrial use; therefore, the proposal will be consistent with other aesthetics in the vicinity. Some structures will be visible in the surrounding area and will be similar in character to existing tanks on the Imperium and Westway sites and are considerably shorter than the existing grain elevator to the east. The proposed tanks will not obstruct any views because the generally flat topography does not allow views of the water due to blockage by existing buildings and vegetation. The areas further to the north with sloping topography have existing distant views of the water areas of Grays Harbor. The new tanks will not block distant views.

c. Proposed measures to reduce or control aesthetic impacts, if any:

None.

11. Light and glare

- a. What type of light or glare will the proposal produce? What time of day would it mainly occur?**

Lighting of the tank farm, rail area, and parking lot will be required between the hours of dusk and dawn that will slightly raise ambient light levels in the area. The lights will be directed downward and shielded to illuminate employee work areas and will not be directed towards the community.

No features of the proposal will produce reflective glare.

- b. Could light or glare from the finished project be a safety hazard or interfere with views?**

The facility is in an existing industrial area and is consistent with other activities in the area. Therefore, light from the facility is not expected to be a safety hazard or interfere with views. Distant views of the site from the north currently feature a variety of lighting sources from port and industrial uses in the vicinity of the proposal.

- c. What existing off-site sources of light or glare may affect your proposal?**

There are no known off-site sources of light or glare that will affect the proposal.

- d. Proposed measures to reduce or control light and glare impacts, if any:**

No measures are proposed at this time.

12. Recreation

- a. What designated and informal recreational opportunities are in the immediate vicinity?**

The Chehalis River and Grays Harbor provide informal recreational opportunities for boaters using the water. The 28th Street boat ramp and viewing tower, owned by the Port of Grays Harbor, are adjacent to the parcel and provide opportunities to view the shoreline and includes a fishing pier.

- b. Would the proposed project displace any existing recreational uses? If so, describe.**

No, the proposed project will not restrict access to the boat ramp or viewing tower.

- c. Proposed measures to reduce or control impacts on recreation, including recreation opportunities to be provided by the project or applicant, if any:**

No measures are proposed at this time.

13. Historic and cultural preservation

- a. Are there any places or objects listed on, or proposed for, national, state, or local preservation registers known to be on or next to the site? If so, generally describe.**

Research of the Washington State Department of Archaeology and Historic Preservation's (DAHP) database was conducted February 9, 2010 to determine the presence of places or objects in the project vicinity. A cultural resources

survey was recently conducted by Historical Research Associates for improvements to Port Industrial Road, from 28th Street to the east of E. Terminal Way. No cultural resources were found within the Area of Potential Effect of that project.

No places or objects were indicated on or near the project site that occur on national, state or local registers. The nearest property indicated on a register is Union Pacific Railroad Depot, which is approximately 2 miles east of the project site, and has since been removed from the register listing.

Native American cultural resources in the maritime Pacific Northwest are generally associated with the shorelines of water bodies because those locations would have been used seasonally (particularly in spring-summer) for fishing and gathering. Winter villages typically also were located near water bodies, particularly near the mouths of streams. Midden deposits are typically the most readily identified. Detailed site surveys and excavation are generally required to identify resources related to houses, camps or other uses. In Grays Harbor, many of the sites utilized by Native Americans also were utilized by Euro American settlers because they also valued access to shorelines for the natural resources present and for trade. Where intact cultural resources are present, liquids spilled into the water could be carried to and deposited on these sites. It is unlikely that crude oil or other materials would have adverse physical or chemical impacts on cultural resources. During clean-up operations, the surface of these resources would be affected. The displacement of surface materials from clean-up operations, however, are likely to be limited. The depth of disturbance is likely to be less than the effects of storm driven waves that such areas experience.

Vessel traffic will be restricted to the ship channel and increased traffic will have no greater effect on the Tribal Fishing areas and Shellfish Growing areas.

b. Generally describe any landmarks or evidence of historic, archaeological, scientific, or cultural importance known to be on or next to the site.

DAHP's databases, searched February 9, 2010, did not indicate any landmarks or evidence of historic, archaeological, scientific, or cultural importance within one mile of the project site.

c. Proposed measures to reduce or control impacts, if any:

No measures are proposed at this time.

14. Transportation

a. Identify public streets and highways serving the site, and describe proposed access to the existing street system. Show on site plans, if any.

This project site is accessed by Port Industrial Road, E. Terminal Way, and 28th Street (see Figures 1 and 2).

Regional highway connections are provided by State Routes 8 and 108 which connect with Interstate 5 (I-5) in Olympia about 50 miles to the east. Seattle is about 110 miles. U.S. Highway 12 connects with I-5 near Rochester. U.S. Highway 101 connects to Port Angeles about 160 miles to the north and to Astoria, Oregon 81 miles to the south.

b. Is the site currently served by public transit? If not, what is the approximate distance to the nearest transit stop?

Grays Harbor transit has regularly scheduled buses along Port Industrial Road. The nearest Grays Harbor Transit stop is within a mile of the project site.

c. How many parking spaces would the completed project have? How many would the project eliminate?

The City of Hoquiam Off-Street Parking ordinance (HMC 10.05.100) requires that Imperium provide off-street parking for the additional employees needed for the project. This project includes additional space for 15 parking places. This will allow for 5 operators, 10 at shift change, plus additional spots for office staff and several visitor spots including one designated as a Handicapped Parking space. No existing parking spaces will be eliminated. A bike rack with four spaces will also be added. Imperium will submit a Parking Plan for approval in compliance with HMC 10.05.100 which will detail Imperium's plan to provide off-street parking near the entrance of the facility near Port Industrial Road adjacent to the new office / laboratory / maintenance / warehouse building.

d. Will the proposal require any new roads or streets, or improvements to existing roads or streets, not including driveways? If so, generally describe (indicate whether public or private).

No increases in capacity of local arterials or the state highway system will be required by the project. The Grays Harbor Council of Governments (GHCOG) - 2018 Regional Transportation Improvement Plan, adopted by the GHCOG board September 20, 2012 provides for an integrated program of transportation improvements to serve future growth in the area. The transportation demands of the project are consistent with growth projections for economic growth in the plan.

e. Will the project use (or occur in the immediate vicinity of) water, rail, or air transportation? If so, generally describe.

The project will require utilization of rail and water transportation.

Bulk liquids would be delivered from the east (Intermountain and Central United States) by rail. Rail connections to Grays Harbor are provided by Rail America / Puget Sound & Pacific Railroad (PSAP) and connect to either the Burlington Northern Santa Fe (BNSF) Railway or the Union Pacific (UP) Railroad at Centralia, WA. From Centralia, BNSF and UP provide access to the rest of the US rail network via multiple routes.

Bulk liquids arriving by vessel could be transshipped by truck to the Pacific Northwest and by truck or rail to the east.

Rail delivery is projected to be up to one unit train per day consisting on average of 105 tank cars, though if demand warrants only smaller quantities, those railcars may be incorporated into other trains. The proposed on-site rail expansion will increase on-site capacity to be able to store 146 to 161 rail cars which is designed to provide appropriate storage. Off-site storage is provided by Rail America / Puget Sound & Pacific Railroad and is adequate for serving the expansion.

Maintenance of viability of rail service to Grays Harbor is included in the Washington State 2010-2030 Freight Rail Plan completed December 31, 2009. (WSDOT 2009). The GHCOG 2018 Regional Transportation Improvement Plan includes the Pacific Northwest Coastal Export Rail Corridor which provides for rehabilitation of the short line freight rail lines connecting the export terminal in the Port of Grays Harbor to the BNSF and Union Pacific railroads at Centralia, WA (GHCOG 2012).

Delivery of rail cars to the site will be designed to minimize disruptions to Port Industrial Road traffic by targeting rail crossings at off peak hours. Port Industrial Road is already equipped with flashing lights and bells to provide warning to motorists of approaching trains. Port Industrial Road is not the main road through Aberdeen. All local businesses can be accessed via alternate routes if rail deliveries temporarily block the road as trains move into or out of the Imperium facility.

Projections for transshipment include up to two outbound vessels per week and two outbound barges per week. Up to 200 outbound vessels and barges per year are projected. The largest vessels will be Panamax class vessels with capacity up to 350,000 barrels. The Terminal 1 depth of 41 feet MLLW and the berth length of 480 feet long define maximum vessel size. Outbound barge capacity will be in the range of 25,000 to 150,000 barrel capacity.

f. How many vehicular trips per day would be generated by the completed project? If known, indicate when peak volumes would occur.

Rail delivery is projected to be up to one unit train per day consisting on average of 105 tank cars. Projections for transshipment include up to two outbound vessels per week and two outbound barges per week.

Employee trips from 15-20 employees regularly employed on site are projected to be 20 to 30 per day.

g. Proposed measures to reduce or control transportation impacts, if any:

No measures are proposed at this time. Demands for rail service will be met by the local short line and regional rail systems. Marine transportation infrastructure is in place to serve additional vessels accessing Grays Harbor.

Compliance with the programs of the GHCOG 2018 Regional Transportation Improvement Plan and Washington State 2010-2030 Freight Rail Plan will limit impacts and provide for adequate analysis and mitigation of potential adverse impacts in accordance with RCW 43.21C.240.

15. Public services

- a. Would the project result in an increased need for public services (for example: fire protection, police protection, health care, schools, other)? If so, generally describe.**

Imperium Terminal Services, LLC has met with the City of Hoquiam Fire Department to discuss any special requirements the terminal facility may need. It was determined that the project will not result in an increased need for public services.

- b. Proposed measures to reduce or control direct impacts on public services, if any.**

No measures are proposed at this time. Affected utilities are in place and no major changes or costs are involved in serving the proposal.

16. Utilities

- a. Circle utilities currently available at the site: electricity, natural gas, water, refuse service, telephone, sanitary sewer, septic system, other: potable water**

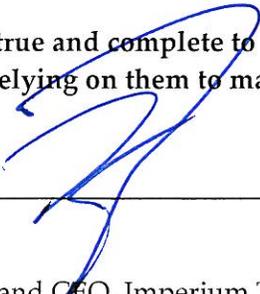
Imperium Terminal Services will share utilities with the Imperium Grays Harbor facility. Some utility upgrades will be necessary for this project. Electricity upgrades to the facility will be required to provide power to the rail and vessel unloading and loading pumps. Natural gas will need to be extended to the Marine Vapor Emissions Control System. Potable water, electricity, sanitary sewer, natural gas, telephone and refuse service will be provided for the new building(s).

- b. Describe the utilities that are proposed for the project, the utility providing the service, and the general construction activities on the site or in the immediate vicinity which might be needed.**

The utilities proposed for this project require working with existing service companies. Electricity required for the project will come from the Grays Harbor PUD and will required modification and expansion of facilities for delivery to the site. Natural gas will come from Cascade Natural Gas and will not require modification of the existing pipeline serving the site. Other utilities will be shared with the Imperium Grays Harbor facility.

C. SIGNATURE

The above answers are true and complete to the best of my knowledge. I understand that the lead agency is relying on them to make its decision.

Signature:  _____

Title: President and CEO, Imperium Terminal Services, LLC

Date Submitted: February 22, 2013

Reviewed by: _____

Title: _____ Division _____

Date: _____