

signed SSC
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SUPERFUND STATE CONTRACT

BETWEEN THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY AND THE STATE OF OREGON PERTAINING TO REMEDIAL ACTION AND OPERATION AND MAINTENANCE AT THE TAYLOR LUMBER AND TREATING SUPERFUND SITE

1. GENERAL AUTHORITY

[REFERENCES: 40 C.F.R. §§ 300.515(a) & 300.180(d), and 40 C.F.R. §§ 35.6800(a) & 35.6805(a)]

This Superfund State Contract (SSC) is entered into pursuant to Sections 104(a)(1), (c)(2), and (c)(3) of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA), as amended, 42 U.S.C. §§ 9604(a)(1), (c)(2), and (c)(3); the National Oil and Hazardous Substances Pollution Contingency Plan, 55 F.R. 8666 et seq. (40 C.F.R. Part 300, March 8, 1990, hereinafter referred to as the "NCP"); and other applicable Federal regulations including 40 C.F.R. Part 35, Subpart O, and 40 C.F.R. Part 31. The Oregon Department of Environmental Quality (DEQ) is authorized to enter into this SSC on behalf of the State of Oregon by ORS 465.210

2. PARTIES AND PURPOSES OF THIS SUPERFUND STATE CONTRACT

[REFERENCES: 40 C.F.R. §§ 35.6805(b) & 35.6805(l), and 40 C.F.R. §§ 300.510(a) & 300.180(a)]

This SSC is an agreement between the United States Environmental Protection Agency (EPA) and the State of Oregon Department of Environmental Quality (DEQ). The subject matter of this SSC is the Taylor Lumber and Treating Superfund Site (Site) in Sheridan, Oregon, identification number ORD009042532. This SSC documents the responsibilities of the lead Agency (EPA) and the support Agency (State) during remedial action and operation and maintenance, and includes clauses that outline the basic purpose, scope, and administration of the SSC, as well as those activities described in the attached Record of Decision (ROD), Appendix 1, and the Statement of Work (SOW), Appendix 2. The purpose of this SSC is two-fold. First, this SSC obtains the necessary assurances pursuant to Sections 104(c)(3), 104(c)(9), and 104(j) of CERCLA, §§ 9604(c)(3), 9604(c)(9), and 9604(j); these assurances have been separated into clauses and placed consistent with their content. However, the CERCLA assurance clauses are clearly marked as such in their titles. Second, this SSC documents State involvement in remedial action and operation and maintenance, pursuant to Section 121(f) of CERCLA, 42 U.S.C. § 9621(f), and Section 300.515(g) of the NCP.

3. DURATION OF THIS SSC

This SSC shall become effective upon execution by EPA and the State, and shall remain in effect until the completion of all actions and payments covered by this SSC.

4. DESIGNATION OF PRIMARY CONTACTS AND THEIR RESPONSIBILITIES

[REFERENCES: 40 C.F.R. § 35.6805(h), and 40 C.F.R. §§ 300.120(e) & 300.180(a)]

A. EPA has designated:

Karen Keeley
USEPA – Region 10
1200 Sixth Avenue, ECL-111
Seattle, WA 98101
206-553-2141

to serve as Remedial Project Manager (RPM) for this SSC. The designated RPM may be changed by letter to the State signatory, and incorporated by reference herein without amending this SSC.

B. The State has designated:

Norm Read
Oregon Department of Environmental Quality
1102 Lincoln St, Suite 210
Eugene, Oregon 97401
541-687-7348

to serve as the State Project Manager (SPM) for this SSC. The designated SPM may be changed by letter to the EPA signatory, and incorporated by reference herein without amending this SSC.

C. The RPM may make project changes that do not substantially alter the scope or cost of the remedial action, and the SPM may make project changes that do not substantially alter the scope or cost of operation and maintenance of the response actions at the Site or the cost of the remedial action.

D. Any disagreements between the RPM and SPM shall be resolved through their chains of command and/or signatories to this SSC, as specified under the Issue Resolution section below.

5. NEGATION OF AGENCY RELATIONSHIP

[REFERENCE: 40 C.F.R. § 35.6805(c)]

Nothing contained in this SSC shall be construed to create, either expressly or by implication, the relationship of agency between EPA and the State. EPA (including its employees, agents, and contractors) is not authorized to represent or act on behalf of the State in any matter relating to

the subject matter of this SSC, and the State (including its employees, agents, and contractors) is not authorized to represent or act on behalf of EPA in any matter relating to this SSC.

6. SITE DESCRIPTION

[REFERENCES: 40 C.F.R. §§ 35.6805(d) & 35.6105(a)(2)(i), and 40 C.F.R. §§ 300.430(b) & 300.430(d)]

A description of the Site -- including its location, background of events, physical characteristics (i.e., Site geology and proximity to drinking water supplies), the nature of the release (contaminant type and affected media), past response actions at the Site by EPA, the State, or others, and the response action at the Site contemplated in the ROD -- is described in the ROD, which is attached as Appendix 1.

7. SITE ACCESS

A. SITE ACCESS

[REFERENCES: 40 C.F.R. § 35.6805(p), and 40 C.F.R. § 300.400(d)]

EPA has been granted access to the portion of the Site addressed by EPA PPA CERCLA 10-2002-0034. To the extent EPA may require access to other portions of the Site, the State shall use its authority to secure access to the Site and adjacent properties, as well as the rights-of-way and easements necessary for EPA or its contractors to complete the remedial actions undertaken pursuant to this SSC. EPA may also secure access under its own authority, and may request assistance from the State as necessary. As requested by EPA, the State shall also obtain or assist EPA in obtaining any permits that are necessary to satisfactorily complete the activities described in the SOW.

B. STATE ACCESS

DEQ has been granted access to the portion of the Site addressed by DEQ PPA No. 02-03. Representatives of the State shall have access to the Site to review work in progress and shall comply with the site safety plan. When possible, representatives of the State shall coordinate visits to the Site in advance with the RPM. Likewise, when possible, the RPM will coordinate visits to the Site in advance with representatives of the State.

C. EPA LIABILITY WAIVER

EPA shall not be responsible for any harm to any State representative or other person arising out of, or resulting from, any act or omission by the State in the course of an on-Site visit.

D. STATE LIABILITY WAIVER

The State shall not be responsible for any harm to any EPA representative or other person arising out of or resulting from any act or omission by EPA in the course of an on-Site visit.

8. THIRD PARTY

A. EXCLUSION OF THIRD-PARTY BENEFITS

[REFERENCE: 40 C.F.R. § 35.6805(r)]

This SSC benefits only the State and EPA. It extends no benefit or right to any third party not a signatory to this SSC.

B. LIABILITY

EPA does not assume any liability to third parties with respect to losses due to bodily injury or property damages that exceed the limitations contained in the provisions of 28 U.S.C. §§ 1346(b), 2671-2680. To the extent permitted by State law, the State does not assume liability to any third parties with respect to losses due to bodily injury or property damage.

9. SITE-SPECIFIC STATEMENT OF WORK (SOW)

[REFERENCES: 40 CFR 35.6805(e) & 35.6105(a)(2)(ii), and 40 CFR 300.435(b) & 300.430(f)]

A site-specific Statement of Work (SOW), indicating the tasks to be performed for this response action is attached in Appendix 2.

10. PROJECT SCHEDULE

[REFERENCE: 40 C.F.R. § 35.6805(g)]

A general description of the project schedule/milestones -- either by calendar year or Federal Fiscal quarter -- includes a project summary of deliverables, as specified in the SOW, and is attached in Appendix 2. This project schedule may be adjusted by the authority of the RPM after consultation with the SPM, without an amendment to this SSC, unless there is an extended delay to the schedule. Changes that significantly increase the project costs, or alter the scope of work, thereby affecting the State's ability to meet the conditions set out in this SSC, including cost-share requirements, shall necessitate an amendment to this SSC.

11. STATE REVIEW

[REFERENCES: 40 C.F.R. § 35.6805(t), and 40 C.F.R. §§ 300.505(a) & 300.505(d)]

The State will provide EPA with comments on draft technical reports within 30 working days of receipt.

12. TECHNICAL AND PROGRESS REPORTS

[REFERENCE: 40 C.F.R. §§ 35.6815(c)(1) & 35.6650]

A. Progress Reports

EPA agrees to submit progress reports on a quarterly schedule, or as otherwise agreed to between EPA and the State, to the SPM. These progress reports shall include an explanation of work accomplished during the reporting period, delays and problems encountered, along with a description of anticipated corrective measures and resolutions. EPA shall also provide a comparison of the percentage of the project completed to the percentage indicated in the project schedule, detailing significant discrepancies.

B. Technical Reports

EPA agrees to submit technical reports as received from EPA's contractor to the SPM. Technical reports may be supplied in draft, and finalized during the remedial action process, detailing technical progress of the project, changes in the execution of the remedial action, and other information as specified herein. The RPM and the SPM will negotiate a schedule for submittal of all such reports, which may be prepared in conjunction with contractors' support at the Site.

13. RECORDS ACCESS

[REFERENCES: 40 C.F.R. § 35.6710, 40 C.F.R. § 300.515(h)(3), and 40 C.F.R. §§ 31.42(e) & 31.36(i)(10)]

At EPA's request, and to the extent allowed by State law, the State shall make available to EPA any information in its possession concerning the Site. At the State's request and to the extent allowed by Federal law, EPA shall make available to the State any information in its possession concerning the Site. The recipient of any records must comply with the requirements regarding records access described in 40 C.F.R. § 31.42(e). The recipient of any records must also require its contractor(s) to comply with the requirements regarding records access described in 40 C.F.R. § 31.36(i)(10). EPA shall not disclose information submitted by the State under a claim of confidentiality unless EPA is required to do so by Federal law and has given the State advance notice of its intent to release that information. Absent notice of such claim, and with the exception of certain policy, deliberative, and enforcement documents which may be held confidential, EPA may make said information available to the public without further notice.

14. RECORDS RETENTION

[REFERENCES: 40 C.F.R. §§ 35.6705 & 35.6815(d), 40 C.F.R. § 31.42, 40 C.F.R. § 300.515(i), and 36 C.F.R. Part 1230]

All financial and programmatic records, supporting documents, statistical records, and other records related to the Site must be maintained for a minimum of ten years following the submission of the final Financial Status Report by EPA. If any litigation, claim, negotiation, audit, cost recovery, or other action involving the records has been started before the expiration of the ten-year period, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular ten-year period, whichever is later. Microform copying must be performed in accordance with the technical regulations and records management procedures contained in 36 C.F.R. Part 1230 and EPA Order 2160, respectively.

15. A STATEMENT OF INTENTION TO FOLLOW EPA POLICY AND GUIDANCE

[REFERENCES: 40 C.F.R. § 35.6805(f), and 40 C.F.R. § 300.430(f)(5)(ii)(B)]

In addition to the requirements specified in CERCLA and the NCP, all applicable program requirements (policy and guidance) identified in the Administrative Record or stated here shall be adhered to.

16. LIST OF SITE-SPECIFIC AGREEMENTS

[REFERENCE: 40 C.F.R. § 35.6805(m)]

The following list includes all site-specific agreements (Cooperative Agreements, contracts, consent agreements, and administrative orders) associated with and/or in effect for the Site:

Type of Agreement	Signatories	Date
Multi-Site Support Agency Cooperative Agreement (V-00071807-0)	EPA/DEQ	July 1, 2006 to June 30, 2007
Prospective Purchaser Agreement, CERCLA 10-2002-0034	EPA/Pacific Wood Preserving of Oregon (PWPO)	February 2, 2002
State Prospective Purchaser Agreement, DEQ No. 02-03	DEQ/PWPO	February 5, 2002
Tribal Cooperative Agreement (V-97075001)	EPA/Grand Ronde Confederated Tribes	Expired June 30, 2006

17. CERCLA ASSURANCE: COST SHARE

[REFERENCES: 40 C.F.R. §§ 35.6105(b)(2), 35.6120(2) & 35.6805(i)(5), and 40 C.F.R. § 300.510(b), and Section 104(c)(3) of CERCLA, 42 U.S.C. § 9604(c)(3)]

Sections 104(c)(3) and 104(d)(1) of CERCLA, 42 U.S.C. §§ 9604(c)(3) and 9604(d)(1), require that EPA determine whether the Site was publicly or privately operated at the time of the release,

in order to determine the State's cost share. This Site was privately operated; therefore, the State's share is 10 percent of the remedial action costs.

18. COST-SHARE CONDITIONS

[REFERENCE: 40 C.F.R. § 35.6805(j)]

A. Cost Estimate

The estimated capital cost for remedial action (capital costs) is \$6.4 million (excluding EPA's indirect costs). This estimate is derived from the costs estimated during remedial design specifications and includes contingencies for change orders, which may or may not be invoked, and construction management services. The estimated cost for a construction oversight contract for the remedial action is \$500,000. Together, the capital construction and construction oversight costs present a total estimated cost of \$6.9 million for the remedial action. The State agrees to pay 10% of the actual costs of these contracts.

B. Payment Terms

[REFERENCES: 40 C.F.R. §§ 35.6815(a) & 35.6240-35.6255]

i. Subject to the State's constitutional debt limitation and appropriated funds, the State assures its 10% cost share obligation for actual remedial action costs at the Site. The State will pay 10% of remedial action costs incurred by EPA until the remedial action becomes operational and functional. The State shall make best efforts to obtain funding to meet this obligation, including seeking appropriations from the State Legislature until this obligation is met.

ii. Subject to Section 18.B.i., the State's total cost share obligation ("principal balance") will become due and payable after the date the remedy becomes operational and functional ("O&F") as follows: 90 days after the O&F date, the State will pay 25% of the principal balance plus Interest. Thereafter, on an annual basis, the State will pay 25% of the principal balance plus Interest on the unpaid principal balance. Interest shall accrue from the O&F date at a rate equal to the annual rate of interest for the Superfund Trust Fund. The amount of the principal balance may be adjusted in accordance with the reconciliation provisions of Section 36. The State may pay, without penalty, principal balance amounts before they are due.

iii. Costs incurred by the Support Agency (State) to off-set the cost-share requirements, including in-kind services, must be verified and documented in a Support Agency Cooperative Agreement (SACA) between EPA and DEQ. Payment terms may only be adjusted through an amendment to this SSC, as specified in the Amendability section below.

iv. All State payments shall be made payable to EPA and sent to the Regional Financial Management Office as specified below:

Mellon Bank

EPA Region 10 Superfund
P.O. Box 371099M
Pittsburgh, PA 15251

C. State Credit

[REFERENCE: 40 C.F.R. §§ 35.6285(c) & 35.6285(f), and 40 C.F.R. §§ 300.510(b)(2), 300.510(b)(3) & 300.510(b)(4)]

- i. CERCLA credit may be applied to offset the State's cost-share requirements in this SSC.
- ii. The State does not declare credit for costs incurred at the Site.

19. EMERGENCY RESPONSE ACTIVITIES

[REFERENCE: 40 C.F.R. §§ 300.415 & 300.525]

Any emergency response activities, or emergency circumstances, shall not be restricted by the terms of this SSC, including removal, per NCP. However, remedial response activities may be suspended until the emergency activities are concluded, in which case, the response activities, cost share, or terms may be subject to amendment.

20. CERCLA ASSURANCE: 20-YEAR WASTE CAPACITY ASSURANCE

[REFERENCES: 40 CFR 300.510(e), and 40 CFR 35.6120 & 35.6105(b)(3)]

The State has submitted its Waste Capacity Assurance Plan to EPA. EPA deemed this Waste Capacity Assurance Plan adequate, pursuant to 40 CFR 35.6120, on July 1, 1992. The State hereby assures the availability of hazardous waste treatment or disposal facilities for the next 20 years, following signature of this Contract, pursuant to CERCLA § 104(c)(9).

21. CERCLA ASSURANCE: OFF-SITE STORAGE, TREATMENT, OR DISPOSAL

[REFERENCES: 40 C.F.R. § 300.510(d), and 40 C.F.R. §§ 35.6805(i)(3) & 35.6105(b)(4)]

Pursuant to Sections 104(c)(3)(B) and 121(d)(3) of CERCLA, 42 U.S.C. §§ 9604(c)(3)(B) and 9621 (d)(3), EPA and the State may determine that off-site treatment, storage, or disposal of hazardous substances is required for this response action. EPA or its representative, in its invitation for bids for remedial action, shall require respondents to provide adequate capacity for waste disposal at a facility (or facilities) that, at a minimum, meet(s) the requirements of Subtitle C of the Solid Waste Disposal Act. The State's acceptance of EPA's selection shall constitute this assurance.

22. NOTIFICATION OF TRANSFERS OF CERCLA WASTE

[REFERENCES: 40 C.F.R. §§ 35.6805(v) & 35.6120, and OSWER Directive 9330.2-07]

EPA or the State must provide written notification prior to the off-site shipment of waste from the Site to an out-of-State waste management facility, to:

- A. The appropriate State environmental official for the State in which the waste management facility is located; and/or
- B. The appropriate Indian Tribal official who has jurisdictional authority in the area where the waste management facility is located.

23. CERCLA ASSURANCE: REAL PROPERTY ACQUISITION

[REFERENCES: 40 CFR 300.510(f), 40 CFR 35.6805(i)(4), 35.6105(b)(5) & 35.6400, and § 104(j) of CERCLA, as amended]

Pursuant to the ROD, an interest in real property must be acquired in order to implement the remedial action. This interest will be in the form of those institutional controls to be obtained by the State as part of operation and maintenance of the remedial action at the Site.

24. PRE-FINAL INSPECTION

[REFERENCE: OSWER Directive 9355.0-4A]

- A. A pre-final inspection will be conducted upon preliminary project completion for this EPA-lead remedial action at the Site. The pre-final inspection will be led by the RPM. Participants, to accompany the RPM, include the SPM and the owners of property at the Site, and may include other participants, as appropriate.
- B. The pre-final inspection will consist of a walk-through inspection of the entire project site. This inspection will survey the completed site work, determining whether the project is complete and consistent with the contract documents and the EPA approved remedy. Jointly, EPA and the State will determine if there are any outstanding construction items. An attempt shall be made to determine resolutions for all remaining issues.
- C. The Contractor(s) shall have certified that the equipment has performed to meet the purpose and intent of the design specifications. Retesting shall have been successfully completed where deficiencies were revealed. Determination of remedy effectiveness for remedial actions may be addressed on a case-by-case basis.
- D. A pre-final inspection report will be provided by EPA to the State for review. Acceptance of the resolutions specified in the prefinal inspection report is constituted by the State's signature.

25. REMEDY SHAKEDOWN

A. OPERATIONAL AND FUNCTIONAL

[REFERENCES: 40 C.F.R. § 300.435(f)]

The remedial action will become “operational and functional” either one year after construction is complete, or when the remedy is determined concurrently by EPA and the State to be functioning properly and is performing as designed, whichever is earlier. EPA may grant extensions to the one-year period, as appropriate.

26. CERCLA ASSURANCE: OPERATION AND MAINTENANCE

[REFERENCES: 40 C.F.R. §§ 35.6805(i)(1) & 35.6105(b)(1), Section 104(c)(3)(A) of CERCLA, 42 U.S.C. § 9604(c)(3)(A), and 40 C.F.R. §§ 300.435(f) & 300.510(c)]

A. CERCLA ASSURANCE

Subject to the State’s constitutional debt limitation and appropriated funds, the State hereby assures that the operation and maintenance (O&M) of implemented CERCLA-funded remedial actions provided under this SSC, will remain in effect for the expected life of such actions. Once the remedial action is operational and functional, the State will immediately begin the performance of operation and maintenance of the remedial action, and will continue to perform such work until EPA, following consultation with the State, determines that operation and maintenance is no longer necessary at the Site. The State shall make best efforts to obtain funding to perform necessary O&M, including seeking appropriations from the State Legislature.

EPA and DEQ acknowledge that, pursuant to Prospective Purchaser Agreements (PPA) CERCLA 10-2002-0034 and DEQ No. 02-03, Pacific Wood Preserving of Oregon (PWPO) has agreed to perform certain operation and maintenance at the Site and that DEQ is not required to perform the operation and maintenance that PWPO is adequately performing. However, DEQ’s assurance includes oversight of such operations and maintenance activities while they are performed by PWPO, and performance of such activities in the event EPA and DEQ agree that PWPO has failed to adequately perform such activities. Further, EPA and DEQ agree to coordinate enforcement of their respective PPAs for the Site.

B. OPERATION AND MAINTENANCE PLAN AND MANUAL

EPA and DEQ will coordinate development of an operation and maintenance plan and manual consistent with EPA Guidance document Operation and Maintenance in the Superfund Program, U.S. EPA, May 2001. The State will perform operations and maintenance, including monitoring and retaining institutional controls, consistent with the plan and manual approved by EPA and ODEQ.

27. JOINT INSPECTION OF THE REMEDY

[REFERENCES: 40 CFR 35.6805(q), 40 CFR 300.510(c)(2), 300.515(g) & 300.435(f), and OSWER Directive 9355.0-4A]

A. Final Inspection

A final inspection will be conducted upon completion of any outstanding construction items for this EPA-lead remedial action at the Site. The final inspection will be led by the RPM. Participants, to accompany the RPM, include the SPM and all other parties from the prefinal inspection.

B. Final Certification

The final inspection will consist of a walk-through inspection of the project site, with the inspection focusing on the outstanding construction items identified in the prefinal inspection. The RPM and the SPM will confirm that all outstanding items have been resolved. If any items are still unresolved, the inspection shall be considered a prefinal inspection requiring another prefinal inspection report.

C. Remedial Action Report

Upon satisfactory completion of the final inspection, EPA will provide to the State a copy of the remedial action report for the Site.

D. Acceptance of the Remedy

The remedial action report will be reviewed by the State and EPA. The RPM will coordinate, with the SPM, the State's acceptance that the remedy is complete and performing adequately. Then the EPA Regional Administrator shall provide written notice to the State of EPA's acceptance of the completed project.

E. Project Closeout

EPA, in consultation with the State, will determine that Fund-financed response actions described in the SOW have been completed. Enforcement actions and other necessary activities, such as NPL deletion, may proceed independent of project closeout.

28. NPL DELETION

[REFERENCE: 40 C.F.R. §§ 300.515(e)(3) & 300.425(e), and OSWER Directive 9320.2-3A]

EPA shall consult and provide the State with the deletion package before deleting the Site from the National Priorities List (NPL).

29. RESPONSIBLE PARTY ACTIVITIES

[REFERENCE: 40 C.F.R. § 35.6805(u)]

If at any time during the period of this SSC a responsible party comes forward to perform any work covered by this SSC, this agreement will be amended or terminated.

30. ENFORCEMENT

[REFERENCE: 40 C.F.R. § 35.6805(n)]

This SSC does not constitute a waiver of EPA's right to bring an action against any person or persons for liability under Sections 106 or 107 of CERCLA, 42 U.S.C. §§ 9606 or 9607, or any other statutory provision or common law.

31. ENFORCEMENT, LITIGATION, AND COST RECOVERY

[REFERENCE: 40 C.F.R. § 300.520]

A. EPA and the State may be entitled to assert claims against a third party (herein referred to as the "potentially responsible party (PRP)," whether one or more parties) for reimbursement of any services, materials, monies or other thing of value expended by EPA or the State for Fund-financed response activity, related to the remedial action described in the SOW, at the Site.

i. EPA and the State hereby agree that they shall cooperate in and coordinate efforts to recover their respective costs of response actions taken at the Site, including the negotiation of settlement and the filing and management of any judicial actions against PRPs. EPA and the State also hereby agree that neither shall enter into a settlement with or initiate a judicial or administrative proceeding against a PRP for the recovery of such sums, except after having given notice in writing, to the other party to this SSC, not less than 60 days prior to the date of proposed settlement or commencement of the proposed judicial or administrative proceedings.

ii. Neither party to this SSC shall attempt to negotiate for, or collect, reimbursement of any SSC-specific response costs, related to the remedial action at the Site described in the SOW, on behalf of the other party, and authority to do so is hereby expressly negated and denied.

iii. If either EPA or the State recovers these monies from PRPs, these funds shall reduce the total Fund-financed expenditures for remedial action that require cost share. This reduction in the cost share amount does not alter the cost share percentages defined above. Any cost recoveries for the Site shall necessitate an amendment to this SSC.

B. The State understands that EPA cannot waive its right to recover all CERCLA-funded expenditures, including those for this Site.

32. ISSUE RESOLUTION

[REFERENCES: OSWER Directive 9375.5-04, and EPA/OARM Audit Report 2750 -- Management of EPA Audit Reports and Followup Actions (1984 Edition)]

In the event technical difficulties arise at the Site, or questions are raised about any terms in this SSC, the RPM and the SPM will seek resolution in a higher chain of command. Note that matters unrelated to this SSC, such as those between the State and other Federal agencies, are not subject to the terms of this SSC, since the SSC is a bilateral agreement.

A. Any disagreements arising under this SSC shall be resolved to the extent possible by the RPM and the SPM.

B. If any such disagreement cannot be resolved by the RPM and the SPM, it shall be referred, as necessary, to the Environmental Cleanup Office Director or designee, the Regional EPA Administrator or designee, and finally, matters of national significance and matters without legal precedent, are referred to the Assistant Administrator, OSWER, U.S. EPA or designee, for a final resolution. Both parties, EPA and the State, agree that the final decisions achieved resulting from this process shall be binding. Nothing in this provision is intended to restrict the right of EPA or the State to seek judicial review of a decision under this section.

C. Contractual resolutions and final audit determinations, impacting this CERCLA-funded remedial action, shall be binding to both EPA and the State, and may require an amendment to this SSC.

33. SANCTIONS FOR FAILURE TO COMPLY WITH TERMS OF THIS SSC

[REFERENCE: 40 C.F.R. § 35.6805(o)]

After all administrative remedies have been exhausted, if the State fails to comply with the terms of this SSC, any CERCLA assurance, and/or the negotiated payment terms, EPA may proceed under the provisions of Section 104(d)(2) of CERCLA, 42 U.S.C. § 9604(d)(2), and may seek to enforce this SSC, in the appropriate court of competent jurisdiction. If EPA breaches this SSC, the State may file suit and seek remedies in the appropriate court of competent jurisdiction.

34. AMENDABILITY

[REFERENCE: 40 C.F.R. § 35.6805(l), 40 C.F.R. § 300.510, and Section 104 of CERCLA, 42 U.S.C. § 9604]

This SSC may be amended for reasons including, but not limited to, the revision of costs or terms to undertake modifications to the remedial activities. Amendments are required when alterations to CERCLA-funded activities are necessary, or when alterations impact the State's assurances pursuant to the NCP and CERCLA. Such amendments must include a SOW for the amendment, as described in the Site-specific SOW section, above. Any change(s) in this SSC must be agreed to, in writing, by the signatories, except as provided in this SSC, and must be reflected in all response agreements affected by the change(s).

35. TERMINATION OF THIS SSC

A. The parties may enter into a written termination agreement, which will establish the effective date for the termination of this SSC, the basis for settlement of termination costs, and the amount and date of any sums due either party. Such reconciliation costs will include all project costs incurred, as well as any close-out costs.

B. If, at any time during the period of this SSC, performance of either all or part of the work described in the SOW is voluntarily undertaken, or undertaken for any other reason by persons or entities not party to this SSC, then this SSC will be modified or terminated as appropriate to allow these actions. Upon modification or termination, the parties to this agreement shall be relieved from further duties to perform those actions undertaken by persons or entities not party to this SSC.

36. RECONCILIATION PROVISION

[REFERENCE: 40 C.F.R. § 35.6805(k)]

EPA will reconcile all project costs and payments, including change orders, claims, overpayments, reimbursements, etc. Subject to Section 18, if after reconciliation, the State owes an additional amount pursuant to its cost share assurances, EPA will bill the State for that amount. This amount is subject to the Issue Resolution provisions in paragraph 32 of this SSC. If after reconciliation, the State has overpaid the amount of its cost share obligation, EPA shall refund that amount to the State. EPA will not use overpayments by the State to satisfy obligations at another site.

37. CONCLUSION OF THE SSC

[REFERENCE: 40 C.F.R. § 35.6820]

The SSC is concluded when:

A. Response activities at the Site have been satisfactorily completed and payments have been made, as specified under the Cost Share Conditions section of this SSC;

B. The Financial Management Officer (FMO) has a final accounting of all project costs, including change orders and contractor claims, pursuant to Reconciliation Provision above; and

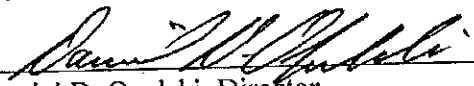
C. All State cost-share payments have been submitted to EPA, operation and maintenance has been completed, and, if applicable, interest in real property has been accepted, pursuant to 40 C.F.R. § 35.6805(i)(4).

38. APPENDICES AND AMENDMENTS

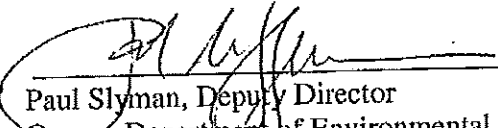
1. Appendix 1. Record of Decision for the Taylor Lumber and Treating Superfund Site, dated September 30, 2005.
2. Appendix 2. Statement of Work.

In witness whereof, the parties hereto have executed this SSC in two (2) copies, each of which shall be deemed an original.

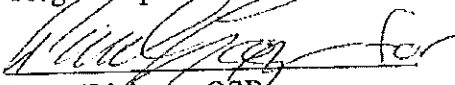
FOR THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

 _____ Date 2/21/2007
Daniel D. Opalski, Director
Office of Environmental Cleanup
United States Environmental Protection Agency, Region 10

FOR THE STATE OF OREGON, BY AND THROUGH THE DEPARTMENT OF ENVIRONMENTAL QUALITY

 _____ Date 2/19/07
Paul Slyman, Deputy Director
Oregon Department of Environmental Quality

Approved for Legal Sufficiency
Oregon Department of Justice

 _____
Larry Edelman, OSB

Appendix 1

Record of Decision for the Taylor Lumber and Treating Superfund Site, Sheridan, Oregon
September 30, 2005
(included by reference only)

Appendix 2

Statement of Work Remedial Action

Taylor Lumber and Treating Superfund Site, Sheridan, Oregon

I. Background

EPA issued a Record of Decision (ROD) for the Taylor Lumber and Treating Superfund Site in Sheridan, Oregon on September 30, 2005. In the ROD, EPA selected a final response action to address groundwater and soil contamination at the Site.

The site is one Operable Unit and the work is intended to be completed in one construction season.

II. Statement of Work

The scope of the work generally includes the following:

- Site preparation, grading, vegetation clearing and removal, and erosion controls
- Soil excavation (surface soils, ditch soils, stockpiled soil cells), material handling, and disposal
- Backfill and grading
- Stormwater treatment and management
- Field screening and confirmation sampling
- Existing asphalt cap repair and preparation for a low permeability asphalt cap within the slurry wall area
- Quality assurance and quality control
- Institutional controls
- Long-term groundwater monitoring for pentachlorophenol
- Operation, maintenance and monitoring of the barrier wall system, including the groundwater extraction system and the asphalt cap

III. Tasks

EPA expects that the remedial action contract(s) will include the following major tasks:

- Contractor on-site management
- Contractor mobilization and demobilization
- Development of Contractor site-specific plans (e.g., erosion and stormwater control plan, construction health and safety plan, soil plan, site management plan)
- Site preparation, including clearing and grubbing, and erosion control
- Soil excavation, material handling, screening and stockpiling
- Transportation and off-site disposal of soil
- Field screening and confirmation sampling

- Backfill of excavations, grading, and compaction
- Off-site disposal of non-contaminated debris
- Equipment decontamination
- Existing asphalt cap repair and preparation for a low permeability asphalt cap within the slurry wall area.

The final plans and specifications developed for the final work may differ from this list of tasks but is expected to be consistent with the statement of work described above.

IV. Project Schedule

EPA's preliminary schedule for conducting this work is as follows:

Design	100% Final Design Due December 1, 2006
Award contract	1 st Quarter Calendar Year 2007
Start construction	Spring 2007
Complete construction	September 30, 2007

This schedule is subject to change based on availability of funding or other relevant factors.