

**Date:** April 25, 2008

**To:** Wendy Wiles, Administrator, Land Quality Division

**From:** Deborah Bailey, Cleanup and Emergency Response

**Through:** Jeff Christensen, LQD Cleanup Program Manager  
Bruce Gilles, NWR Cleanup Program Manager

**Subject:** Request for Orphan Site Designation  
Port of St. Helens/Former Pope & Talbot Inc. ECSI #959

The purpose of this memorandum is to request designation of the Port of St. Helens/Former Pope & Talbot, Inc. (PSHPT) site as an Orphan Site, pursuant to Oregon Revised Statute (ORS) 465.381. This designation will enable DEQ to use the Orphan Site Account to carry out removal and remedial actions, including but not limited to funding investigation of data gaps and completion of a final remedy selection. ORS 465.381(6)(a) allows DEQ to use the Orphan Site Account for DEQ expenses at sites where the responsible party is “unknown, unwilling, or unable to take all required removal or remedial action.” As described in this memorandum, DEQ has determined that the party or parties potentially liable for site contamination are unable to undertake investigative work to carry out required removal or remedial actions.

**Background**

The 49-acre PSHPT property is located at 1550 Railroad Ave. in St. Helens. Scappoose Bay and Multnomah Channel of the Willamette River form the southern and eastern site boundaries. Milton Creek forms the western site boundary. The site is bounded on the north by railroad tracks and on the northeast by industrial development. The site is relatively flat, with a gentle downward slope toward the northeast. The shorelines with Scappoose Bay, Multnomah Channel, and Milton Cr. are generally characterized by steep banks.

The site was first used for industrial purposes in 1912, when the St. Helens Creosoting Co. began treating wood there. The northeast portion of the site was occupied by a sawmill between about 1915 and the mid-1930s. Companies owned by Pope & Talbot (P&T) purchased the wood treating plant in 1938 and operated it in the southeast portion of the site until 1960. The plant was dismantled in the fall of 1960. P&T sold the property to the Port of St. Helens in 1963, and it remained vacant until 1974. During the 1970s, the Port placed dredge sand fill across much of the site. The Port leased the property to Niedermeyer-Martin Co. (NMC) from 1974 to 1991 for pole peeling and storage, and NMC constructed the existing on-site office/shop building. The site’s eastern portion has been vacant since 1991, when NMC removed its operations from the site. Between 1993 and 1998, Manson Construction and Engineering, a marine construction and dredging firm, leased the western portion of the site for storage. From 1991 to the present, several companies have leased the property from the Port, including St. Helens Fine Woodcraft, a small woodworking business, and Columbia River Forest Products, the current lessee.

Historical wood treating operations consisted of vacuum pressure treatment of pilings, poles, cross arms, paving blocks, pipe & tank stoves, structural timbers, and crossties. The primary wood treating compound was creosote, although pentachlorophenol and chromated copper arsenate (CCA) were used to a limited extent. These operations caused hazardous substance releases to the property and to Scappoose Bay.

The following remedial activities have been completed at the site:

- Preliminary Assessment, Oregon DEQ, 1989;
- EPA Site Inspection, Ecology and Environment, 1989, 1990;
- Vadose Zone Contamination Investigation, Harding Lawson 1993;
- RI/FS Order on Consent, Port and P&T, 1995 (WMCSR-NWR-95-05);
- Remedial Investigation, GeoEngineers 2000;
- Human Health Risk Assessment, Bridgewater Group, 2006;
- Ecological Risk Assessment, Bridgewater Group, 2006; and
- Feasibility Study Work Plan, Bridgewater Group, 2007.

DEQ commented on the Feasibility Study Work Plan in September 2007. In November 2007, P&T declared bankruptcy.

### **Enforcement Actions**

DEQ issued a Notice of Deficiency to both the Port and P&T in March 2008 after P&T, the primary performing party, stopped performing under the 1995 Consent Order. DEQ cited an incomplete FS Report and discontinuation of the quarterly progress reports as deficiencies. The Notice required submittal of the FS Report by April 15, 2008. DEQ has learned that P&T's bankruptcy attorneys concluded that the RI/FS order was not exempt from the bankruptcy notice stay, and therefore P&T could not comply with DEQ's Notice of Deficiency. The Port wrote a letter to DEQ stating that, due to financial constraints, it could not respond to the Notice.

### **Responsible Party Information**

The Port owns the property. P&T is the former owner/operator. Both are parties to DEQ's 1995 Consent Order. DEQ sent the Port an ability-to-pay form in early April 2008 in order to evaluate and verify the Port's claim that it cannot afford to undertake remedial actions.

The Port has submitted a claim to the P&T bankruptcy court for \$8 million to \$10 million. DEQ has been informed that no funds may be available for unsecured claims. DEQ plans to submit its own claim, which the bankruptcy court is likely to consider unsecured.

Based on this information, DEQ has concluded that neither P&T nor the Port has the financial ability to carry out required remedial actions at the site.

### **Summary of Site Issues**

The risk assessment identified three primary concerns, which require remedial action: 1) DNAPL (primarily creosote) that has migrated vertically to the basalt zone and horizontally to the Bay, 2) dissolved-phase groundwater contamination that has migrated to the Bay, and 3) groundwater containing polynuclear aromatic hydrocarbons that could affect excavation workers in the southern portion of the site, in the event of future construction activities. PCBs (polychlorinated

southern portion of the site, in the event of future construction activities. PCBs (polychlorinated biphenyls) are also present in surface soil; while they do not pose unacceptable risk for upland exposure scenarios, they would present unacceptable aquatic risks if they migrated to Milton Cr. or Scappoose Bay.

DEQ's comment letter on the FS work plan identified two data gaps: extent of DNAPL migration into Scappoose Bay, and migration of contamination into the basalt aquifer. The FS will propose alternatives to control migration of DNAPL and dissolved-phase groundwater contamination into the Bay from the upland area, and to manage surface soils contaminated with PCBs. Both data gaps will be addressed during the remedial design phase.

The next steps are completion of the FS, followed by preparation of the staff report, a public comment period, and issuance of the Record of Decision. Remedial actions beyond those specified in the FS might be needed, depending on findings from the remedial design phase.

**Recommendations**

With the approval of Orphan designation for this site, DEQ's Business Office will begin using the Orphan Site Account to pay for Account-eligible activities. This approval will also enable the transfer of any appropriate prior expenses from HSRAF to DEQ's Orphan Site Account. If further investigation identifies parties responsible for contamination who are able to pay Orphan costs that DEQ incurs at the site, DEQ will seek reimbursement of these costs from those parties.

Please sign below to approve this request for designation of Port of St. Helens/Former Pope & Talbot, Inc. as an Orphan Site, and to authorize use of the Orphan Site Account.

Wendy Wiles  
Wendy Wiles  
Administrator, Land Quality Division

4/28/08  
Date

**Orphan Site Project Addition  
Accounting & Financial Addendum**

Orphan Site Name: Port of St. Helens Creosote

Cost Incurred<sup>1</sup>:

Direct Costs	\$93,859.58
LQ Indirect*	<u>122,267.12</u>
Sub-total	\$216,126.70
Assessments	<u>159.44</u>
Total Billable	\$216,286.14

\* Includes \$3,692.78 rule rewrite surcharge

Amount Invoiced:	\$215,957.64
Amount Recovered:	\$199,546.63

Amount to transfer to Orphan Site Account: (Costs from July 2007 through February 2008)

Direct Costs	\$8,853.92	
LQ Indirect at 91%	<u>5,959.08</u>	(transfer revenue to HSRAF)
Total Orphan Costs	\$14,813.00	

**Site Information**

ECSI Number:	959
ECSI Site Name:	Port of St. Helens Creosote

<b>Existing project number to be declared orphan</b>	
Business Office Number:	740990
Business Office Title:	Port of St. Helens II
Billable Costs Incurred:	\$216,286.14
Invoiced:	\$215,957.64
Received:	\$199,546.63
Transfer Previous Costs?:	Yes
Special Transfer Instructions:	Costs incurred beginning July 2007 only.
Comments:	Responsible party has paid \$4,191.25 of costs invoiced since July. The appropriate portion of these receipts will need to be transferred to the Orphan Site Account at project close.
QTime ID:	24564
QTime Title:	Port of St. Helens II

Approved: \_\_\_\_\_

  
Land Quality Division Administrator

<sup>1</sup> Costs incurred are through February 2008 accounting. Amount invoiced and recovered are as posted in CRIS through April 14, 2008.