

Date: March 31, 2008

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

**From: Norman Read, Western Region Cleanup Program**

**Through: Max Rosenberg, Western Region Cleanup Manager**  
**Jeff Christensen, Orphan Program Manager**

**Subject: Request for Orphan Site Designation – Taylor Lumber & Treating, Inc. (ECSI #666)**

The purpose of this memorandum is to request designation of the Taylor Lumber 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 fund site cleanup and long-term operations and maintenance (O&M) activities. 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 contamination at this site are unable to undertake needed actions.

DEQ has determined, in consultation with the U.S. Environmental Protection Agency (EPA), that contamination at Taylor Lumber poses current and ongoing threats to human health and the environment. EPA has placed the site on the National Priorities List and has taken the lead on needed investigative, removal, and/or remedial actions to reduce or eliminate these threats. EPA is paying for the remedial action; however, as required by CERCLA, EPA and DEQ have entered into a Superfund State Contract requiring DEQ to pay 10% of EPA's remedial action costs and some, or potentially all, O&M costs. Therefore, DEQ recommends using funds from the Orphan Site Account to pay for its share of response and long-term follow-up actions at the site.

**Background and Summary of Site Issues**

The Taylor Lumber site is located at 22125 Highway 18B in Sheridan in Yamhill County. The site began operating as a sawmill in 1946, and wood-treatment operations began in 1966. Taylor Lumber ceased operations on May 7, 2001 and filed bankruptcy on June 11, 2001. EPA placed the site on the National Priorities List (i.e., Superfund) on June 14, 2001.

In 1987, EPA required Taylor Lumber to implement groundwater quality monitoring under the National Pollutant Discharge & Elimination (NPDES) program. Findings from this investigation showed chlorophenolics and polynuclear aromatic hydrocarbons (PAHs) in groundwater.

In 1990, EPA completed a Listing Site Inspection. Findings from this investigation showed the presence of chlorophenols and PAHs in the alluvial aquifer. EPA required a number of actions

under the RCRA program, including characterization and soil removal in the Retort Area and closure of a former vault; EPA also required a 1994 RCRA Facility Assessment, and a RCRA Interim Corrective Measures Study.

A Phase 1 RCRA facility investigation was conducted pursuant to an EPA Consent Decree and an Administrative Order on Consent lodged in federal court in 1995. As a result, a NAPL (non-aqueous-phase liquid) plume was identified. In late 1999, EPA conducted an initial removal action, excavating soil from contaminated areas and storing it temporarily in on-site "cells." Additional measures included paving a part of the site, removing sediments with high arsenic levels from roadside ditches, and installing a soil-bentonite barrier wall to contain the NAPL plume beneath the Treatment Plant area.

Completed by EPA in January 2002, a Phase I remedial investigation (RI) used existing data to evaluate the nature and extent of contamination at the site; it identified additional data needed to complete the RI. Accordingly, EPA conducted a Phase II RI in 2002 and 2003. These investigations identified dioxins, pentachlorophenol, arsenic, and PAHs at elevated concentrations in soil, groundwater, and sediments. Following a review of EPA's draft Record of Decision (ROD), DEQ found the remedy selected for the West Facility portion of the site to be consistent with Oregon's statutory requirements. (The ROD did not envision any action at the East Facility or at the southern portion of a separately owned off-site property [Klinger residence]. The East Facility was included in some of the previous investigations at Taylor, but no evidence of contamination was found there). The ROD was signed on September 30, 2005.

Primary human health pathways of concern are ingestion of groundwater and exposure to contaminated surface and subsurface soil. The surface water pathway may also be of concern if shallow, contaminated groundwater were to migrate to the South Yamhill River. DEQ considers the site a high priority for further remedial action.

### **Responsible Party Information**

John Taylor purchased the sawmill located east of Rock Creek Road in 1946. In 1966, he purchased the land for the wood-treating facility. This property, directly west of Rock Creek Road, was previously used as a drive-in movie theater. Following Mr. Taylor's death in 1967, his wife Catherine Taylor obtained ownership of the company. Mrs. Taylor's daughters, Karen Taylor and Lucinda Hoffman, assumed ownership of the company upon Mrs. Taylor's death in 1983. In 1985, Taylor Lumber purchased the property east of the sawmill, which formerly served as a Boise Cascade chipping plant (the East Facility mentioned above). This eastern property was sold to Sheridan Forest Products in 1998.

The remainder of the property was sold to Pacific Wood Preserving (PWP) of Oregon in January 2002. In accordance with Prospective Purchase Agreements between PWP and EPA, and between PWP and DEQ, PWP's environmental liability has been limited in exchange for its agreement to continue to operate and maintain pre-existing environmental controls. These controls were installed as interim remedies and selected in the ROD to prevent off-site migration of contaminated groundwater and direct exposure to contaminated soils. However, according to the Superfund State Contract between EPA and DEQ, DEQ must oversee O&M activities

performed by PWP; furthermore, DEQ could be required to take over O&M should PWP fail to perform adequately.

**Response Actions Needed**

Construction for the remedy selected in the ROD will likely be complete in September 2008. The scope of the work for the remedial action generally includes the following:

- Site preparation, grading, vegetation clearing/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.
- O&M of the barrier wall system, including the groundwater extraction system and asphalt cap.

The estimated capital cost for remedial action (capital costs) is \$6.4 million (excluding EPA's indirect costs). This number is derived from costs estimated during remedial design specifications, and includes contingencies for change orders, and construction management services. The estimated cost for a construction oversight contract for the remedial action is \$500,000. Together, remedial construction and construction oversight costs will amount to an estimated \$6.9 million. As a condition of federal NPL actions at the site, DEQ is required to pay 10% of the actual costs of these contracts, or approximately \$700,000.

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 Taylor Lumber & Treating, Inc. as an Orphan Site, and to authorize use of the Orphan Site Account.

  
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Wendy Wiles, Administrator  
Land Quality Division

  
\_\_\_\_\_  
Date

**Orphan Site Project Addition  
Accounting & Financial Addendum  
March 2008**

Orphan Site Name: Taylor Lumber & Treating, Inc.

Cost Incurred<sup>1</sup>:

Direct Costs	\$21,771.26
LQ Indirect	<u>22,544.35</u>
Total Billable	\$44,315.61

Amount Invoiced: \$3,656.12

Amount Recovered: \$3,656.12

Amount to transfer to Orphan Site Account: None at this time due to other demands on the orphan site account. Costs may be transferred to the Orphan Site Revenue fund (cost recoveries) at a future date.

**Site Information**

ECSI Number: 666  
ECSI Site Name: Taylor Lumber & Treating Inc.

<b>New project number to be declared orphan</b>	
Business Office Number:	903550
Business Office Title:	Taylor Lumber O&M
QTime ID:	40434
QTime Title:	Taylor Lumber O&M

Note: This orphan site declaration also authorizes use of the Orphan Site Account to pay the state's matching share of Superfund remedial action costs. However, an outlay of Orphan funds may not be necessary at Taylor Lumber, if DEQ incurs matching expenditures at the McCormick & Baxter site in excess of the match requirement at that site and the excess can be applied towards the Taylor Lumber share. As a result, we have not established a project number for Taylor Lumber match at this time. If such expenditures become necessary, an amendment to this addendum will be issued.

Approved: Wendy Wike 4/9/08  
Land Quality Division Administrator

<sup>1</sup> Includes only cleanup cost recovery projects. Costs incurred are through February 2008 accounting. Amount invoiced and recovered are as posted in CRIS through March 31, 2008. Other cleanup costs have been funded through the SACA grant and additional costs were incurred in the spills program (\$11,855, paid by responsible party) and HW programs.