

## WESTERSUND Joe

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**From:** John Hudson [hicjhh@earthlink.net]  
**Sent:** Friday, July 24, 2009 11:02 PM  
**To:** PUGH Mark  
**Cc:** DEZEEUW Dick; Charles Kobin; Jim Kincaid; GILLES Bruce A  
**Subject:** Re: Draft Reimbursement Agreement

on 7/23/09 1:43 PM, PUGH Mark at PUGH.Mark@deq.state.or.us wrote:

John,

I believe that costs you have incurred related to the vent system, sealing the floor, and air and groundwater testing were needed, and they can be reimbursed although we did not have a reimbursement agreement in place. I spoke with Dick DeZeeuw, the manager of the Dry Cleaner Fund and got his approval for this. He also indicated that for reimbursement of any future work we would need to have an agreement in place. Attorney fees could not be reimbursed. Only consultant fees directly related to the approved actions could be reimbursed.

Right now there is about \$30,000 that was allocated to the Progress Cleaners site for fiscal year 2009 (for us that runs April-April). We can draw from this for the work completed, but once this is exhausted we are out of luck until next April.

Any future expenses would be reimbursable provided an agreement was in place, and that DEQ agreed to the work and/or approved a work plan. The catch is, the timing of reimbursement (if it exceeds \$30,000) is dependent on our prioritization of the site for the next budget cycle, in context of other site's needs. We are currently funding 14 projects at a total budget of ~\$500,000.

From Dick's directive I would advise you enter into a reimbursement agreement prior to completing the work you have outline below, at the risk of it not being reimbursed, or having a lower priority for reimbursement.

*Mark Pugh, R.G.  
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**From:** John Hudson [mailto:[hicjhh@earthlink.net](mailto:hicjhh@earthlink.net)]  
**Sent:** Thursday, July 23, 2009 12:46 AM  
**To:** PUGH Mark  
**Cc:** DEZEEUW Dick; Charles Kobin; Jim Kincaid; GILLES Bruce A  
**Subject:** Re: Draft Reimbursement Agreement

on 7/21/09 12:30 PM, PUGH Mark at [PUGH.Mark@deq.state.or.us](mailto:PUGH.Mark@deq.state.or.us) wrote:

John,

I received your voicemail today. Here is the draft reimbursement agreement. Most of it is boiler plate and contains the language that is required by law in order for the State to cut someone a check for services rendered. We will consider any edits or comments you have.

There is one more requirement that has come to my attention, and that is the accounting office will manage this as a vendor transaction and would need you to complete a W-9 form at some point.

With regard to your question about a cost estimate for soil removal. It is not feasible from a technical or monetary standpoint to attempt to dig out all the offending contamination. The primary issue is within the footprint of the building and we excavated that out to the extent practical. Most of the residual contamination is within the zone of groundwater fluctuation and is as deep as 20 feet. You would need a very large excavation to dig that deep. Also, this soil would be saturated such that you could not transport it. It would need to be dewatered and the water is F-listed waste requiring expensive treatment (i.e., possibly incineration). Even the relatively low volume we managed from the interior excavation cost \$15,000 to manage. The next treatment option would be injection of material to enhance to bio-degradation. We could probably do this for about \$20,000.

This type of work would probably be best left for DEQ to do, but we can discuss. Alternately, we could expand the vapor collection system as you have suggested, and this is something that your contractors could do at your discretion, but again, we would need an agreement in place and a DEQ-approved plan if you wanted reimbursement.

<<DRAFT Reimbursement Agreement.doc>>

*Mark Pugh, R.G.*

*Project Manager*

*DEQ NWR Cleanup and Emergency Response*

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Mark: Haven't been on the internet for several days. Thanks for email.

Will review the cost reimbursement agreement. W-9 not a problem. Obviously, if there is a reimbursement at some point, HIC would treat same as income (misc.) for that shopping center, and as such would be included taxes etc etc. No free lunch, nor is any expected.

Re the cost the water management from the pit - Good Grief!!!!

It would seem that the idea of the bio-degradation and/or additional venting would be worth investigating.

In our Monday telecon, I believe I understood you to say that there was about \$30,000 presently earmarked for our project. Would Hudson Investment Costs incurred over this and/or prior years qualify for reimbursement from this sum??? HIC's costs over the last several years have included sampling, lab analysis, consultant fees, and legal fees. I can provide a list of costs and copies of paid invoices as backup. There would need to be some sort of waiver or modification on the cost reimbursement form as this would be after the fact.

Mike Torgerson of CBS, whom you've met, is moving forward on the sealing of the cracks around the excavation, the problem in the NW corner, and whatever other cracks or holes that he sees. Once this has cured etc; we're going back in and resealing the entire floor area. Overkill is my thing. If you want to contact Mike, his number is 503-936-0565. If you want to go into the premises, the tenant at 8604 SW Hall Blvd. (the cartridge refill place) still has the key.

Thanks. John Hudson.

Mark: Thanks for your email and input. I will get my invoices together for the last couple of years, and list same on a little spreadsheet broken down by categories - sampling/lab, consultant, legal; if other categorization better, please advise. Will list invoice date, company, invoice number or statement date, amount, check number, date and amount. A significant portion of what HIC has spent has been for attorney's fees - now isn't that a goddamn surprise? Anyway, I will get this to you in the next couple of weeks, primarily because my filing system leaves a bit to be desired.

John H.