

HAHN AND ASSOCIATES, INC.
ENVIRONMENTAL CONSULTANTS

August 15, 2011

Mr. Dana Bayuk
Oregon Department of Environmental Quality
Northwest Region, Portland Office
Portland Harbor Section
2020 SW Fourth Avenue, Suite 400
Portland Oregon 97201-4987

HAI Project No. 2708
DEQ ECSI File No. 84

SUBJECT: Progress Report, NW Natural Gasco Property, 7900 NW St. Helens Avenue, Portland, Oregon

Dear Mr. Bayuk:

Hahn and Associates, Inc. (HAI) has prepared this monthly Progress Report summarizing Remedial Investigation/Feasibility Study (RI/FS) and source control-related work activities conducted by NW Natural that have occurred relating to the Gasco property during the month of July 2011. NW Natural is completing upland investigatory activities at the subject property under the Voluntary Agreement No. ECVC-WMCVC-NWR-94-13 (Voluntary Agreement) between NW Natural and the Oregon Department of Environmental Quality (DEQ).

1.0 Communications and Document Submittals

In correspondence dated July 6, 2011 (Dana Bayuk to Bob Wyatt), DEQ provided concurrence with NW Natural's intent to dispose of investigative-derived wastes (IDW) as described in correspondence prepared by HAI dated August 5, 2010. The IDW subject to this concurrence consists of soil cuttings from the P-34 location as generated during NW Natural RI activities on the Siltronic property.

In e-mail correspondence dated July 6, 2011 (Dana Bayuk to Rob Ede), DEQ provided NW Natural with DEQ's understanding of the status of those documents identified in the June 15, 2011 Monthly Progress Report as awaiting DEQ review and comment.

In e-mail correspondence dated July 12, 2011 (Ben Hung to Dana Bayuk), Anchor QEA (AQ) on behalf of NW Natural recommended cancelling the regular Gasco DEQ meeting scheduled for July 18, 2011.

In e-mail correspondence dated July 14, 2011 (Dana Bayuk to Ben Hung), DEQ concurred with cancelling the July Gasco DEQ meeting.

In e-mail correspondence dated July 18, 2011 (Dana Bayuk to Taku Fuji and Ben Hung), DEQ provided comments from review of NW Natural's June 22, 2011 e-mail summary of a June 20 meeting regarding various upland risk assessment topics.

DEQ and representatives of AQ met with DEQ on July 20, 2011 to discuss certain aspects of the uplands risk assessment including feedback and clarification of several risk screening-related items in DEQ's July 18, 2011 correspondence.

In e-mail correspondence dated July 29, 2011 (Rob Ede to Dana Bayuk), HAI, on behalf of NW Natural, provided a response to DEQ's July 6, 2011 correspondence related to outstanding document review status and priorities.

2.0 Field Work

Field activities related to monitoring and maintenance of the dense non-aqueous phase liquid (DNAPL) extraction system at surficial fill well locations MW-6-32 and MW-13-30 occurred during July. The system was shut down during a majority of July due to the level of product in the storage tank triggering the high level switch. The system remained off as HAI and NW Natural updated chemical profile documentation to allow the stored liquid to be recycled by Thermo Fluids, Inc. of Clackamas, Oregon. After acceptance of the updated profile, Thermo Fluids, Inc. pumped 451 gallons of DNAPL/water mixture from the recovery system storage tank on July 28. On the same date, Thermo Fluids, Inc. also pumped approximately 40 gallons of DNAPL/water mixture that had manually been recovered from the PW-01-80 location over time and has been stored separately. Gauging of the DNAPL recovery AST tank on July 29 indicated that 3 gallons of liquid, primarily DNAPL, had been recovered over the preceding 24 hours from wells MW-6-32 and MW-13-30.

Approximately 2 gallons of liquid (1.4 gallons was DNAPL) were manually removed from within the sump at the PW-01-80 well location during July.

Discharge of treated water (groundwater from the LNG containment basin) to the City of Portland sanitary sewer was initiated on March 16, 2007 under Temporary Wastewater Discharge Permit 500.022 (expires February 15, 2012). Results of NW Natural's effluent sampling are provided to BES in Discharge Monitoring Reports that are submitted for any month that effluent sampling occurs – which is at least every other month in accordance with the permit. As of July 29, 2011, a total of 8,799,879 gallons of treated water have been discharged to the sanitary sewer in 2011.

3.0 Anticipated Activities in August and September 2011

NW Natural is preparing a Risk Assessment Data Gap Field Sampling Plan (FSP) as requested by DEQ for finalization of the Gasco Upland Risk Assessment. The FSP is anticipated to be submitted to DEQ in August.

NW Natural and DEQ technical working group meetings are anticipated to occur during August and September as needed so that discussion of critical items related to upland risk assessment and groundwater source control tasks may be conducted.

NW Natural is working on an update to the beneficial use determination for groundwater and anticipates submittal of this document to DEQ upon receipt of water use plans from pertinent property owners.

NW Natural's Third Quarter 2011 groundwater monitoring activities are anticipated to occur at the NW Natural and Siltronic properties in September.

The following reports and work plans on the Site have been submitted to DEQ through the end of July that have not as of the date of this Progress Report received DEQ review and comment.

- *Source Control Evaluation Report, "Segment 3" Siltronic Property Related to NW Natural "Gasco" Site*, February 19, 2009, Anchor QEA. Based on DEQ feedback, DEQ review of this document is prioritized behind reviews for Segments 1 and 2 Source Control Design documents and upland Risk Assessment-related reviews.

- Recommendations for cyanide testing at the Gasco Site, August 17, 2010, Anchor QEA. Based on DEQ feedback, it is understood that DEQ review is being conducted concurrently with review of the May 2011 *Draft Groundwater Source Control Final Design Report*.
- *Final Stormwater Source Control Data Summary Report*, September 2010, Anchor QEA. Based on DEQ feedback, DEQ review of this document is prioritized behind reviews for Segments 1 and 2 Source Control Design documents and upland Risk Assessment-related reviews.
- *Remedial Investigation Data Summary Report, Historical Manufactured Gas Plant Activities, Siltronic Corporation Property*, March 31, 2011, HAI. Based on DEQ feedback, it is understood that DEQ review is being conducted at this time, but that comments are not anticipated until after completion of DEQ's review of the May 2011 *Draft Groundwater Source Control Final Design Report*.
- *Draft Groundwater Source Control Final Design Report, NW Natural Gasco Site*, May 2011, Anchor QEA. Based on DEQ feedback, review is being completed at this time in coordination with EPA. DEQ anticipates meeting with NW Natural, Siltronic, and EPA in August to discuss the proposed source control design and DEQ comments, with a finalized comment letter to be transmitted after that meeting.

Should you have any questions, please contact the undersigned.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Rob Ede'.

Rob Ede, R.G.
Principal

robe@hahnenv.com

- c:
- Ms. Sandra Hart, NW Natural (electronic only)
 - Mr. Bob Wyatt, NW Natural (electronic only)
 - Ms. Patty Dost, Pearl Legal Group PC (electronic only)
 - Ms. Sarah Riddle, Pearl Legal Group PC (electronic only)
 - Mr. Carl Stivers, Anchor QEA, L.L.C. (electronic only)
 - Mr. John Edwards, Anchor QEA, L.L.C. (electronic only)
 - Mr. Ben Hung, Anchor QEA, L.L.C. (electronic only)
 - Mr. Ryan Barth, Anchor QEA, L.L.C. (electronic only)
 - Mr. Henning Larsen, DEQ NW Region (electronic only)
 - Mr. Tom Gainer, DEQ NW Region (electronic only)
 - Mr. Tom McCue, Siltronic Corporation (electronic only)
 - Ms. Kristine Koch, Region 10 EPA (electronic only)
 - Mr. Sean Sheldrake, Region 10 EPA (electronic only)
 - Mr. Rene Fuentes, Region 10 EPA (electronic only)
 - Mr. Chip Humphrey, Region 10 EPA (electronic only)
 - Mr. Lance Peterson, CDM, Inc. (electronic only)



Outlook

RE: Monthly Progress Report - August 2011

From BAYUK Dana </O=DEQ/OU=DEQHQC/CN=RECIPIENTS/CN=DBAYUK>

Date Fri 9/23/2011 1:48 PM

To 'Rob Ede' <robe@hahnenv.com>

Cc Sandi Hart <s2h@nwnatural.com>; Bob Wyatt <rjw@nwnatural.com>; Patty Dost <pdost@pearllegalgroup.com>; LARSEN Henning * DEQ <Henning.LARSEN@deq.oregon.gov>; GAINER Tom <GAINER.Tom@deq.state.or.us>; Tom McCue <tom.mccue@siltronic.com>; Koch.Kristine@epamail.epa.gov <Koch.Kristine@epamail.epa.gov>; Fuentes.Rene@epamail.epa.gov <Fuentes.Rene@epamail.epa.gov>; Humphrey.Chip@epamail.epa.gov <Humphrey.Chip@epamail.epa.gov>; Shel Drake.Sean@epamail.epa.gov <Shel Drake.Sean@epamail.epa.gov>; Carl Stivers <cstivers@anchorqea.com>; John Edwards <jedwards@anchorqea.com>; James Peale <jpeale@mfainc.org>; Lance Peterson (PetersonLE@cdm.com) <PetersonLE@cdm.com>; Ben Hung <bhung@anchorqea.com>; rbarth@anchorenv.com <rbarth@anchorenv.com>; Sarah Riddle <sriddle@pearllegalgroup.com>; tfuji@anchorqea.com Fuji <tfuji@anchorqea.com>

Good afternoon Rob.

I've reviewed the monthly progress report for August 2011 and wanted to let you know the last four entries under "Communications and Document Submittals" do not reflect the content of the e-mails referenced. DEQ requests the August 2011 progress letter be resubmitted after these four entries are revised or deleted.

If the e-mail summaries are revised, DEQ believes the following points should be reflected in the progress letter:

- Ben Hung's August 18th e-mail communicates NW Natural's request to reschedule the August 25th meeting because key NW Natural personnel were unavailable to attend, and a complete set of DEQ's written comments on the draft SCMs design would not be available for NW Natural's review prior to the meeting.
- My August 18th e-mail summarizes the brief August 15th discussions regarding the purpose of the August 25th meeting and acknowledges NW Natural's request to meet after DEQ issues comments on the draft SCMs design.
- John Edwards August 22nd e-mail provides additional justification for reviewing DEQ's comments on the draft SCMs design before arranging a meeting, and asserts DEQ had not previously provided any indication of the nature of DEQ's or EPA's comments on the document.
- My August 29th e-mail clarifies that EPA's and DEQ's significant review comments, and DEQ's recommendations for moving the draft SCMs design forward, were to be summarized in the agenda DEQ was going to prepare for the August 25th meeting. The e-mail also provides specific references to meetings and correspondence in which DEQ identified and/or discussed important aspects of the SCMs design.
- Ben Hung's August 30th e-mail acknowledges the information provided by DEQ in the August 29th e-mail, and reaffirms NW Natural's desire to review DEQ's complete set of written comments on the draft SCMs design before arranging a meeting.

DEQ's comments on the draft SCMs design were sent by e-mail yesterday. After NW Natural reviews the comments, DEQ looks forward to arranging a meeting to discuss moving the SCMs design process forward.

Rob, let me know if you have questions regarding this e-mail.

Mr. Dana Bayuk, Project Manager

Cleanup & Portland Harbor Section

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From: Rob Ede [mailto:robe@hahnenv.com]
Sent: Friday, September 09, 2011 8:35 PM
To: BAYUK Dana
Cc: Sandi Hart; Bob Wyatt; Patty Dost; LARSEN Henning; GAINER Tom; Tom McCue; Koch.Kristine@epamail.epa.gov; Fuentes.Rene@epamail.epa.gov; Humphrey.Chip@epamail.epa.gov; Sheldrake.Sean@epamail.epa.gov; Carl Stivers; John Edwards; James Peale; Lance Peterson (PetersonLE@cdm.com); Ben Hung; rbarth@anchorenv.com; Sarah Riddle; tfuji@anchorqea.com
Subject: Monthly Progress Report - August 2011

Hi Dana,

Attached is the August 2011 Progress Report for the Gasco upland RI/FS and source control activities.

Have a great weekend.

-Rob

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This message may contain confidential and/or privileged information. If you are not the addressee or authorized to receive this for the addressee, you must not use, copy, disclose, or take any action based upon this message or any information herein. If you receive this message in error, please advise the sender immediately by reply e-mail and delete this message. Thank you.

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