

HAHN AND ASSOCIATES, INC.
ENVIRONMENTAL CONSULTANTS

September 9, 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 August 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 e-mail correspondence dated August 1, 2011 (Ben Hung to Dana Bayuk), Anchor QEA (AQ) on behalf of NW Natural, provided a summary of the status of risk assessment-related documents under development by AQ including the anticipated delivery dates for those documents. The e-mail also requested that DEQ forward a list of objectives and topics for the August 15 NW Natural/DEQ project coordination meeting.

In e-mail correspondence dated August 4, 2011 (Dana Bayuk to Rob Ede), DEQ provided clarification regarding the scheduling and prioritization of documents under review by DEQ as was summarized in NW Natural's July 15, 2011 Progress Report and a July 29, 2011 e-mail from HAI (Rob Ede to Dana Bayuk).

In e-mail correspondence dated August 4, 2011 (Ben Hung to Dana Bayuk), AQ on behalf of NW Natural, provided a summary of the status of risk assessment-related documents under development by AQ including the anticipated dates of delivery for those documents. The e-mail also included a proposed agenda for the August 15 NW Natural/DEQ project coordination meeting.

In correspondence dated August 12, 2011 (Taku Fuji to Dana Bayuk), AQ on behalf of NW Natural, provided the document entitled *Total Petroleum (TPH) Fraction Data Gap Field Sampling Plan* (FSP) with the associated *Quality Assurance Project Plan* (QAPP) and *Health and Safety Plan* (HASP). This submittal was in response to DEQ's request for a sampling plan to characterize site-specific TPH fractions in soil at the Gasco Site.

In a Memorandum dated August 12, 2011 (Taku Fuji to Dana Bayuk), AQ on behalf of NW Natural, provided DEQ with a list of those shoreline monitoring wells proposed for use in the screening of uppermost groundwater against ecological risk-based screening levels. This list of monitoring wells was requested by DEQ in an e-mail to AQ on July 18, 2011.

AQ on behalf of NW Natural, provided DEQ a Cover Letter with the TPH Fraction Data Gap FSP on August 12, 2011 that provided a proposal for addressing DEQ's concerns with specific contaminants of interest (COIs) in the upcoming risk assessment activities.

DEQ and representatives of NW Natural met with DEQ on August 15, 2011 to discuss key issues and resolutions as related to the uplands risk assessment for the Gasco Site.

Representatives of DEQ and AQ had a conference call on August 17, 2011 to discuss the appropriateness of screening on-site sediment samples SD-1 through SD-3 against DEQ Sediment Ecological Bioaccumulation Screening Level Values.

In e-mail correspondence dated August 18, 2011 (Ben Hung to Dana Bayuk), AQ on behalf of NW Natural, requested written comments from DEQ prior to a meeting on the Draft Groundwater Source Control Final Design Report (Draft Final Design Report).

In e-mail correspondence dated August 18, 2011 (Dana Bayuk to Ben Hung), DEQ stated DEQ's objectives in requesting a meeting in advance of providing written comments on the Draft Final Design Report.

In e-mail correspondence dated August 22, 2011 (John Edwards to Dana Bayuk), AQ again requested written comments on the Draft Final Design Report.

In e-mail correspondence dated August 29, 2011 (Dana Bayuk to John Edwards), DEQ provided feedback to AQ's August 22, 2011 e-mail. AQ (Ben Hung to Dana Bayuk) again requested written comments on the Draft Final Design Report on August 30, 2011.

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 August. The system recovered approximately 70 gallons of fluids (primarily DNAPL) during August.

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 August 31, 2011, a total of 9,123,064 gallons of treated water have been discharged to the sanitary sewer in 2011.

3.0 Anticipated Activities in September and October 2011

NW Natural and DEQ technical working group meetings are anticipated to occur during September and October 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 with submittal of this document to DEQ upon receipt of water use plans from pertinent property owners, anticipated for submittal during the indicated timeframe.

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

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The following reports and work plans on the Site have been submitted to DEQ through the end of August 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 and preparation of these comments remains a high priority.
- *Total Petroleum (TPH) Fraction Data Gap Field Sampling Plan (FSP), NW Natural Gasco Site*, August 2011, Anchor QEA. Based on DEQ feedback, DEQ is anticipating comments on this document to be provided to NW Natural on September 9, 2011.

Should you have any questions, please contact the undersigned.

Sincerely,



Rob Ede, R.G.
Principal

robe@hahnenv.com

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)
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Mr. Tom McCue, Siltronic Corporation (electronic only)
Ms. Kristine Koch, Region 10 EPA (electronic only)
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