

**A CHANCE TO COMMENT ON
DEQ STAFF REPORT RECOMMENDING A FINAL REMEDY AND THE PROPOSED CONSENT
JUDGMENT FOR A PROSPECTIVE PURCHASER AGREEMENT
AT THE FRED WAHL SHIPYARD, TOLEDO, OREGON**

COMMENTS DUE: October 1, 2010

PROJECT LOCATION: 621 and 1000 Altree Lane, Toledo, Oregon.

PROPOSAL: The Department of Environmental Quality (DEQ) is recommending excavation of contaminated sediments as a final remedy and is proposing to enter into a Consent Judgment for a Prospective Purchaser Agreement (PPA) with the Port of Toledo for the Fred Wahl Shipyard property located at 621 and 1000 Altree Lane, Toledo, Oregon (the "Property") which includes tax lots 400, 500, 601, and 1500.

HIGHLIGHTS: The Port of Toledo (Port) is acquiring the Property to allow the Port to redevelop the Property to provide additional Port dock space for shipyard activities and other marine industry uses. Historical shipyard operations have caused sediment and upland soil to be contaminated. Several contaminants are above screening values and thus, cleanup is warranted. Before the Port purchases the property, the Port will enter into a PPA with DEQ. The PPA will set out the cleanup remedy to be performed by the Port after it acquires the property and will provide certain limits and protections for future environmental liability.

The site was used for various timber industry uses from the 1950s to the 1980s. Shipyard operations began at the property in 1996 with Sturgeon Bend Boat Works. In 1999 the property was acquired by Fred Wahl, the current owner of the property.

Shipyard operations included pressure washing to remove loose paint and marine growth; paint removal by sand blasting; preparation for subsequent marine paint applications; and vessel refueling. Ship paint and sandblast grit have elevated levels of copper, and the organotin (tributyltin [TBT]) as well as other heavy metals. Historical sandblast operations generally had limited to no containment of sandblast wastes and thus sediment at shipyards is often contaminated with those wastes and also petroleum from other shipyard operations.

Site investigations conducted in August 2009 and in February 2010, showed elevated concentrations of copper and TBT in sediment near the service pier, dry dock, and travel lift. Concentrations of copper and TBT were above sediment screening values for ecological receptors. Dioxin concentrations in sediment were at upstream levels (i.e., Depoe Slough) and not related to site activities.

Upland soil samples were collected for various site contaminants previously in an August, 2009 investigation. Several upland soil samples had concentrations of the petroleum constituents, polynuclear aromatic hydrocarbons (PAHs) above residential and urban residential screening values.

The northern and southern extent of the copper and TBT was not fully delineated; additional sampling may be necessary to fully delineate the southern and northern extent of contaminated sediments. Because of the interest in acquiring the property, the funding mechanism, and project schedules, the Port may proceed to excavate contaminated sediment as a final remedy without completing a full delineation. A follow-up residual risk assessment will be conducted utilizing confirmation samples after the sediment removal is completed to ensure the remedy is protective and complete.

DEQ prepared a staff report recommending excavation as the final remedy as well as preliminary risk assessment results which guide the cleanup. The report is available online at <http://www.deq.state.or.us/lq/ecsi/ecsi.htm> under ECSI site number 3536.

The Consent Judgment will require the Port to remove contaminated sediment; as well as implement institutional controls on the Property precluding residential use of the site. The Port will agree to provide access to the Property for any additional investigation and removal or remedial actions that may be required, and to implement any institutional or

engineering controls that may be necessary. In addition, the Port will be required to follow DEQ's Best Management Practices (BMPS) established for Oregon Shipyards in 2000.

DEQ's Prospective Purchaser Program was created in 1995 through amendments to the state's Environmental Cleanup Law. The Prospective Purchaser Agreement is a tool that facilitates the cleanup of contaminated property and encourages property transactions that would otherwise not likely occur because of the liabilities associated with purchasing a property with existing contamination. DEQ has approved more than 100 Prospective Purchaser Agreements throughout the State since the program began.

The proposed Consent Judgment will provide the Port with a release from liability for claims by the State of Oregon under ORS §465.255 relating to any historical releases of hazardous substances at or from the Property. The proposed Consent Judgment will also provide the Port with protection from potential contribution actions by third parties for recovery of remedial action costs associated with any historical releases at or from the Property. DEQ retains all existing rights it may have as to all other parties potentially liable for any releases. The Consent Judgment is available online at <http://www.deq.state.or.us/lq/ecsi/ecsi.htm> under ECSI site number 3536.

HOW TO COMMENT: Written comments concerning the Staff Report and recommended remedial action should be sent to Bryn Thoms at DEQ's Eugene Office at 165 West 7th Ave, Eugene, OR 97401 or by email at thoms.bryn@deq.state.or.us. Written comments concerning the proposed Consent Judgment should be sent to Charlie Landman at DEQ Headquarters, 811 SW 6th Avenue, Portland, Oregon 97204. Comments must be received by DEQ by 5:00 pm October 1, 2010. Questions regarding the Staff Report and recommended remedial action may be directed to Mr. Thoms by calling (541) 687-7424 or by email. Questions regarding the Consent Judgment may be directed to Mr. Landman by calling (503) 229-6461.

Upon written request by ten or more persons, or by a group having ten or more members, a public meeting will be held to receive verbal comments on the proposed Consent Judgment.

THE NEXT STEP: DEQ will consider all public comments. A final decision concerning the proposed Consent Judgment will be made after consideration of public comments.