



MEMORANDUM

EUGENE WATER & ELECTRIC BOARD

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TO: Commissioners Helgeson, Brown, Mital, Simpson and Carlson
FROM: Rod Price, Engineering Manager, and Jared G. Rubin, Project Manager
DATE: June 6, 2017
SUBJECT: Environmental Remediation of HQ Surplus Property
OBJECTIVE: Information Only

Issue

The Purchase and Sale Agreement (PSA) between EWEB and the City's Urban Renewal Agency (Agency) was signed on April 10, 2017. Section 7.4 of the PSA states that prior to closing, EWEB shall obtain a No Further Action (NFA) determination from the Oregon Department of Environmental Quality (DEQ). The PSA further states that the Agency's satisfaction with the terms of the NFA letter will be a condition of the Agency's obligation to close on EWEB's HQ/Surplus Property (the Property). The purpose of this Backgrounder is to update the Board on the status of the remedial activities at the Property and the expected terms of the DEQ's NFA determination.

Background

The Property has been used for a variety of industrial activities since at least 1885 and has been home to woolen mills, a flour mill, a furniture manufacturer, a vehicle service and repair operation and wood products manufacturing. EWEB's operations at the Property began in 1911 with the construction of the Eugene Water Board's pumping and filtration plant. Given the history of industrial uses at the Property, there has been a concern for how contamination could potentially impact the Property's sale and eventual redevelopment.

Since 2012, multiple phases of environmental investigation and cleanup have been completed at the Property and documented in various environmental reports. Most significantly, comprehensive Phase I and Phase II Environmental Site Assessments (ESAs) were conducted in 2014-2015. The majority of this work was funded by a US Environmental Protection Agency (EPA) Brownfield grant awarded to a Coalition comprised of the Cities of Eugene and Springfield, and Lane County. The Phase II and Supplemental investigations allowed EWEB to develop a robust dataset describing the environmental conditions across the entire Property. The historic Manufactured Gas Plant (MGP), located east of the Willamette Substation, was not assessed during the ESAs as it is not included in the surplus property to be sold to the City. The cleanup of the MGP site is being handled through an independent cleanup process, under the supervision of the DEQ, and will most likely be completed in 2018.

Discussion

The sampling conducted during the Phase II ESA investigations indicated that there were five

discrete areas on the Property where contaminant levels exceeded the applicable risk-based concentration (RBC) for the protection of anticipated future occupants of the Property. The five areas included:

- an area south of the former EWEB Credit Union building where arsenic levels exceeded background (note that this contamination was not associated with EWEB operations);
- an area in the southeastern corner of the Property where a former substation was located and elevated polychlorinated biphenyls (PCBs) were found;
- a small area east of the Steam Plant where elevated polynuclear aromatic hydrocarbons (PAHs) were detected;
- and two areas north of the Steam Plant and the Willamette Substation (adjacent to the bike path) where elevated polynuclear aromatic hydrocarbons (PAHs) were detected.

The impact in these areas was delineated and the soils with the elevated contaminant levels were excavated and disposed of at certified landfills. Approximately 570 tons of soil were excavated and removed off-site pursuant to EPA/DEQ rules between November 2016 and March 2017. The removal and transport of this material was performed by EWEB's Water Construction crews in an attempt to complete the remedial activities in a cost effective manner. Confirmation samples were collected from the five areas after the removal actions were completed. The results were below the applicable RBCs indicating that the contamination in these areas had been successfully mitigated.

The environmental sampling conducted to date also demonstrates that shallow soils (0-3 feet) across the entire Property contain low levels of PAH contamination in excess of the DEQ's clean fill screening levels. PAHs are byproducts of incomplete combustion and are commonly found in shallow soils in urban and industrial areas. These soils do not require remediation as they do not pose a risk to human health given the planned future use of the site. However, these soils must be classified as solid waste and managed as such during future redevelopment of the Property. The soils can be re-used on the property, but if they are to be removed, they must be sent to a certified landfill as they do not qualify as clean fill. A Contaminated Media Management Plan (CMMP) has been developed to provide Property-specific information and guidance pertaining to the control and management of residual contaminated soil that may be encountered during redevelopment activities.

EWEB has yet to receive a draft of the DEQ's NFA. However, all indications are that the DEQ is comfortable with the nature and extent of the remediation that has been conducted to date and that no further remediation will be required. Institutional controls, such as an easement and equitable servitude, will be required to ensure that the redevelopment that occurs is consistent with the dense urban residential land use described in Chapter 9.3130 of the City of Eugene Code pertaining to the Downtown Riverfront Special Area Zone. Developers will also need to abide by the approved CMMP, to ensure that human health and the environment are protected during construction activities related to redevelopment. The developers must also develop and implement a site-specific Health and Safety Plan to ensure compliance with all applicable worker protection regulatory requirements.

The DEQ is expected to initiate a public comment period in June to answer questions and take comments on their NFA determination. EWEB and the DEQ will host a Public Meeting on the evening of Tuesday, June 13th at 6:00 pm in EWEB's North Building to discuss this project.

Requested Board Action

No action requested. This memo is for Board information only.