



STATE OF WASHINGTON  
DEPARTMENT OF ECOLOGY

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January 23, 2018

**Electronic Copy**

Ms. Laura Buelow  
U.S. Environmental Protection Agency  
Hanford Project Office  
825 Jadwin Ave., Ste 210  
Richland, WA 99352

Re: Annual Report for the Rayonier Mill Site Deferral Agreement

Dear Ms. Buelow:

In accordance with Section III of the deferral agreement between the Washington State Department of Ecology (Ecology), the U.S. Environmental Protection Agency, and the Lower Elwha Klallam Tribe (LEKT), I am providing you the annual status report for the Rayonier Mill Site cleanup in Port Angeles, Washington. This report provides a summary of Ecology's activities since our last annual report dated August 23, 2017. Even though it is not a part of the deferral agreement, I have also included information on other Port Angeles Harbor sites for context. Our goal is to provide the annual report in January each year.

**Rayonier Study Area (Interim Action Agreed Order)**

*Upland Portion of Study Area*

Ecology approved the public review draft of Volume I on January 3, 2013. The report was posted on the web and copies placed in the repositories. We notified those on our mailing list that the report is available for review. We are not taking public comment on Volume I at this time. We will take public comment when all three volumes are ready for public review.

*Marine Portion of Study Area*

Ecology approved the public review draft of Volume II on December 4, 2014. Like Volume I, the report is posted on the web, copies placed in the repositories, and those on our mailing list were notified. We are not taking public comment on Volume II at this time. We will take public comment on all three volumes when they are ready for public review.

*Alternatives Evaluation for Study Area*

Rayonier submitted the agency review draft of Volume III on February 20, 2015. Ecology and the LEKT reviewed this report, and a draft set of comments was provided to Rayonier.

There were a number of issues and concerns with the Volume III report related to the groundwater pathway, sediment cleanup levels, and cleanup alternatives for the Study Area. After working through the challenges of a newly revised Sediment Management Standards and guidance, developing North Olympic Regional Sediment Background values, and working towards consistency with cleanup elsewhere in Port Angeles Harbor, Ecology finalized the comments on the Volume III report on September 18, 2017. Rayonier was to have 75 calendar days to revise the report into a public review draft, making the submittal date December 9, 2017. As the report requires a fair amount of revision, and Rayonier has a new consultant, Rayonier requested an extension of 81 days to the schedule which Ecology approved. The public review draft of the Volume III report is due no later than February 28, 2018. Once the public review draft of the Volume III report is approved, Ecology will hold a 60 day public comment period on Volumes I, II, and III.

### **Rayonier Mill Off-Property Soil Dioxin Study**

Lower prioritization placed finalization of this report and responsiveness summary on hold while initiating work on the Western Port Angeles Harbor Site.

### **Natural Resource Damage Assessment (NRDA)**

The Port Angeles Harbor NRDA Trustee Council (Trustee Council), established in 2012 by Memorandum of Agreement (MOA), includes representatives of Ecology, US Fish and Wildlife, National Oceanic and Atmospheric Administration (NOAA), LEKT, Jamestown S'Klallam Tribe, and Port Gamble S'Klallam Tribe. Ecology serves as the lead administrative trustee. A preassessment screen for the Port Angeles Harbor was completed in August 2013.

#### *Rayonier NRDA process*

The Trustee Council negotiated a funding and participation agreement with Rayonier. Rayonier signed the agreement and three addendums which include partial reimbursement of past interim costs, funding for four phases of work, and a timeline for completing the entire assessment. First phase tasks included evaluating data, gathering habitat data, determining injury levels, injury modeling and service loss analysis, and ranking the restoration project. The second and third phases of work included running models, calculating service loss values, determining habitat impairment, assigning values for restoration projects, and preparing the damage assessment and restoration plan.

These three phases of work are now complete and the Trustees are working on phase four tasks, including completing the Damage and Restoration Plan/Environmental Assessment, negotiating a consent decree, submitting documents to Court and obtaining the necessary approvals. The Trustee Council and legal and technical subcommittees met monthly to pursue this work. The Trustees and Rayonier made substantial progress negotiating a consent decree and appendix describing an Ennis Creek restoration project. Additional restoration work related to the Rayonier dock and jetty are still under discussion.

### **Stakeholder/Public Involvement**

In January 2017, we held an update meeting with the Washington State Department of Natural Resources (DNR). We also hold quarterly update calls with DNR.

In May 2017, we held a public open house in Port Angeles to provide updates on the Port Angeles Harbor Cleanup sites including the Rayonier Mill site and the Western Port Angeles Harbor site. The open house was well attended. The public expressed frustration with how long it is taking to complete studies for the Rayonier Mill site, but seemed to understand the complexities of the technical issues and changes in sediment regulations.

In May, we also provided an update to the three tribes: the Lower Elwha Klallam, Port Gamble S'Klallam, and Jamestown S'Klallam. In addition to these update meetings, we hold regular update phone calls with the LEKT.

Ecology recently transformed its website with a new look, and new format. The Rayonier Mill site webpage received this new overhaul.

### **Proposed Schedule Adjustments**

Rayonier continues to provide on time all submittals as scheduled in the agreed order or based on granted extensions.

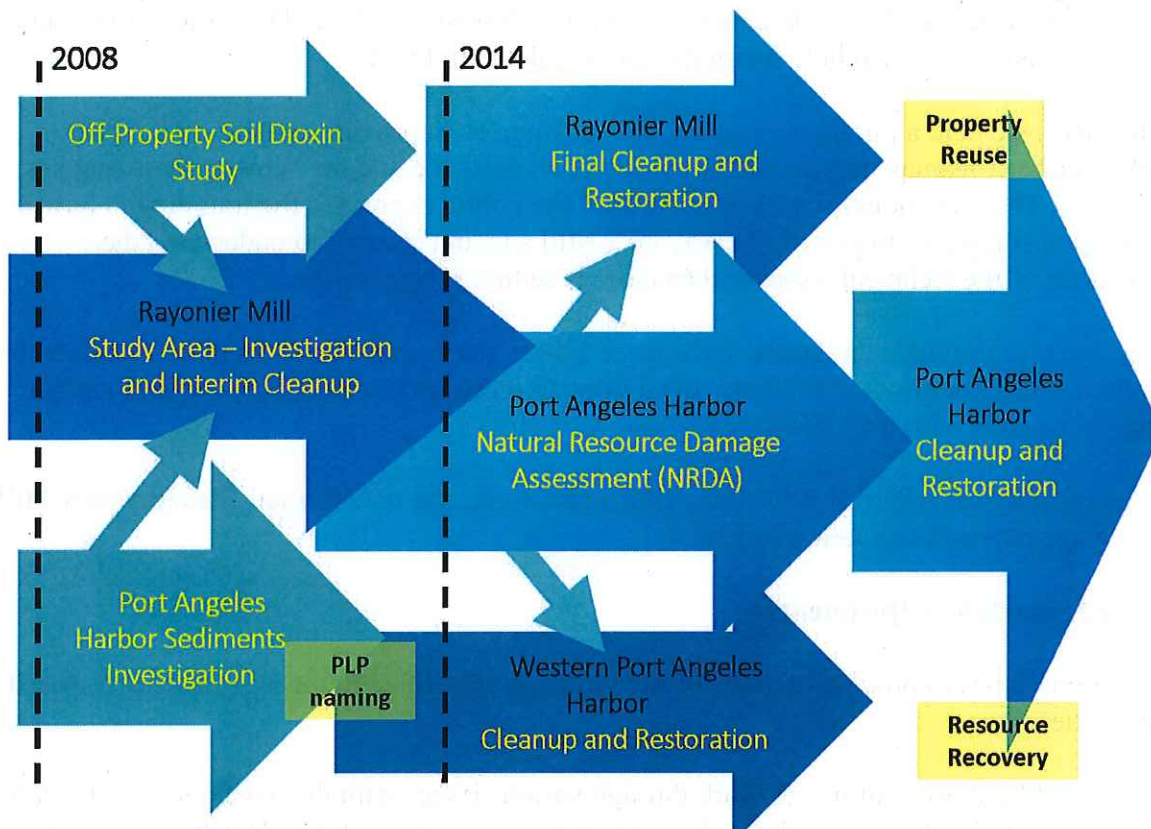
Rayonier and Ecology continue to work through various issues with the development of cleanup alternatives and coordination with the development of restoration plans. This has shifted the overall schedule as shown in Enclosure A - Port Angeles Rayonier Mill Timeline – 2010 Agreed Order to Plan for Interim Actions (updated January 2018).

With the shift in the timeline for the Alternatives Evaluation report, we believe it will take until winter 2018/2019 to complete the agreed order tasks. As such, Ecology is proposing that the project milestones in the deferral agreement's schedule of events be revised as shown in Enclosure B.

We anticipate holding public meetings in 2018 on the Rayonier Volumes I-III reports.

### **Project Administration**

As we identified in our 2016 annual report, while the deferral agreement pertains to the Rayonier Mill Site, Ecology has identified several other potential sources of contamination to Port Angeles Harbor. Our work will lead to a Rayonier Mill Site definition and the definition of other "site(s)" within Port Angeles Harbor. Ecology is committed to cleaning up all of the sites in the harbor. We also have an interest in settling NRD liability for the entire harbor. Our goal is to dovetail cleanup and restoration, if possible. We continue to use the Rayonier Mill/Port Angeles Harbor conceptual timeline, shown below, to illustrate our strategy to integrate the various complex elements to get to complete cleanup and restoration of Port Angeles Harbor.



*Rayonier Mill/Port Angeles Harbor Conceptual Timeline*

### **Western Port Angeles Harbor**

Ecology named six potentially liable persons (PLPs) for the western harbor contamination in 2012 and another in 2013. Five of the PLPs, including Nippon Paper Industries USA Co. Ltd., Merrill & Ring, Georgia-Pacific LLC, Port of Port Angeles, and City of Port Angeles have formed the Western Port Angeles Harbor Group (WPAHG). WPAHG continues to work cooperatively with Ecology to complete a remedial investigation/feasibility study (RI/FS). The RI/FS report was originally due in May 2014, but Ecology and WPAHG mutually agreed that an extension would be beneficial to address several outstanding sediment issues related to the newly revised Sediment Management Standards before this report is submitted. Ecology finalized two memos, Total TEQ and Compliance for Bioaccumulative Chemicals using Sediment Data in Port Angeles Harbor, in November 2016 addressing the most significant outstanding issues. The WPAHG submitted a revised White Paper summarizing their approach to the RI/FS in April 2017. Ecology approved this approach with some additional comments in August 2017. Ecology also reviewed and provided comments on the WPAHG's proposed feasibility study options. The Agreed Order timeline restarted with the approval of the White Paper; however, Ecology gave the WPAHG an extra ninety days to prepare the RI/FS due to the large amount of revisions necessary.

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The agency review draft RI/FS was due on February 1, 2018. On December 5 we received a request from the WPAHG to extend the due date to April 6, 2018 allowing time for several detailed evaluations related to the deeper point-of-compliance, transloading facilities, regional quarries and transportation, and mitigation. Ecology agreed this additional research would improve the RI/FS and has granted this extension.

*Western Port Angeles Harbor NRDA process*

The WPAHG approached Ecology regarding a MTCA-only NRDA settlement in early 2013, stating the statute of limitation for a CERCLA NRDA has passed and a desire to incorporate restoration with cleanup in a timely fashion. Ecology, along with the Port Angeles Trustee Council, encouraged WPAHG to consider the benefits of working with the full Trustee Council. The Trustees formally invited WPAHG to participate in a cooperative assessment by letter in August 2013 and during a meeting in September 2013. In an effort to show timeliness, the Trustee Council prepared a proposed estimate of natural resource damages in Port Angeles Harbor in 90 days without a funding agreement, presenting it to WPAHG on April 30, 2014. The Trustee Council sent the Western Port Angeles Harbor PLPs another invitation to discuss NRDA and a draft tolling agreement in late 2015. The WPAHG's PLPs accepted this invitation and signed the tolling agreement in March 2016. However, we have not negotiated a funding and participation agreement yet. We held a kickoff meeting in June 8, 2016, and have met approximately monthly since to identify and evaluate suitable restoration projects. We paused our monthly meetings during the last half of 2017 while the WPAHG focused on completing the RI/FS, but have plans to restart meeting in early 2018.

If you have any questions or concerns, please contact me at [rebecca.lawson@ecy.wa.gov](mailto:rebecca.lawson@ecy.wa.gov) or (360) 407-6241.

Sincerely,



Rebecca S. Lawson, P.E., LHG  
Southwest Region Office Section Manager  
Toxics Cleanup Program  
State of Washington  
Department of Ecology

By Certified Mail: [91 7199 9991 7037 7520 0551]

Enclosure A: Port Angeles Rayonier Mill Timeline – 2010 Agreed Order to Plan for Interim Actions (updated January 2018)

Enclosure B: Revised Schedule of Events (updated January 2018)

cc: Matt Beirne, Lower Elwha Klallam Tribe

Enclosure B

Revised Schedule of Events<sup>1</sup>

<b>Task</b>	<b>Proposed Completion Date</b>
New Agreed Order for Interim Action Study Area	Signed March 2010
Supplemental Upland Data Collection Work Plan	Completed August 2010
Collection of additional soil and groundwater data for the Uplands Interim Action Area	Completed Fall 2010 and Winter 2011
Public Comment Period for Rayonier Mill Off-Property Soil Dioxin Study Report	Completed August 2011 (45-day comment period)
Completion of the Public Review Draft Interim Action Report Volume I – Upland Data Summary Report for the Study	Completed May 2012 (approved January 2013)
Public comment Period for Port Angeles Harbor Sediment Investigation	Completed February to May 2012 (90-day comment period)
Completion of the Public Review Draft Interim Action Report Volume II - Marine Data Summary Report for the Study	Completed November 2014 (approved December 2014)
Completion of the Public Review Draft Interim Action Report Volume III -Alternatives Evaluation Report for the Study	Submitted February 2015. Anticipate completing in 2018.
Public comment period for Volumes I, II, and III	Summer/Fall 2018
Completion of the Final Interim Action Report Volumes I, II, and III	Fall 2018
Rayonier submits Draft Interim Action Report Volume IV – Interim Action Plan for the Study Area	Winter 2018/2019
Ecology completes Final Interim Action Plan for the Study Area	Spring 2019
Implementation of Interim Action	Per Schedule in Next Agreed Order/Consent Decree
Consent Decree for Off Property	2020-2021
Consent Decree for Central Harbor	2020-2021
Implementation of Final Cleanup Action Plan	Per Schedule in Decree/Final Cleanup Action Plan

Blue – Task related to Interim Action Study Area.

White – Task is a related Ecology-lead project.

Pink – Task related to the entire Rayonier Site.

<sup>1</sup> This document represents Ecology’s best current estimate of the schedule, but is subject to change.

# Port Angeles Rayonier Mill Timeline - 2010 Agreed Order to Plan for Interim Actions

last update: 12/27/2017



Deliverable	Agreed Order Schedule (Days = Calendar Days)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
		Signed Agreed Order - March 2010	-								
Upland data summary Volume I	Supplemental Upland Data Collection Work Plan - Agency review draft	Within 45 days of effective date of Order									
	Ecology review										
	Supplemental Upland Data Collection Work Plan - Draft final	Within 60 days of receiving Ecology's comments on the Agency Review Draft Work Plan—Supplemental Upland Data Collection									
	Supplemental Upland Data Collection - Work plan implementation	As detailed in the Final Work Plan—Supplemental Upland Data Collection									
	Draft Supplemental Upland Data Collection Technical Memo, Report table of contents	Within 60 days of receiving validated data from the lab									
	Ecology review										
	Upland Data Summary Report - Agency review draft, Data submitted to Environmental Info. Management System	Within 105 days of receiving Ecology's comments of the Draft Supplemental Upland Data Collection Technical Memo									
	Ecology review										
	Upland Data Summary Report - Public review draft	Within 75 days of receiving Ecology's comments on the Agency Review Draft—Upland Data Summary Report									
	Draft available for public review										
Upland Data Summary Report - Final draft	Within 75 days of receiving Ecology revisions for the Public Review Draft of Upland Data Summary Report										
Marine data summary Volume II	Marine Data Summary Report - Table of Contents	Within 30 days of effective date of Order									
	Port Angeles Harbor Sediment Characterization Study										
	Marine Data Summary Report - Agency review draft, data submitted to Ecology's Info. Management System	Within 90 days of receiving Ecology's Port Angeles Harbor Sediment Characterization Study									
	Ecology review, interim submittal										
	Marine Data Summary Report - Public review draft	Within 75 days of receiving Ecology's comments on the Agency Review Draft—Marine Data Summary Report									
	Draft available for public review										
Marine Data Summary Report - Final draft	Within 75 days of receiving Ecology revisions for the Public Review Draft of Marine Data Summary Report										
Interim Action Alternatives Evaluation Volume III	Draft Preliminary Cleanup Standards	Within 45 days of submittal of the Draft Supplemental Upland Data Collection Technical Memo and Agency Review Draft—Marine Data Summary Report									
	Preliminary Development of Interim Action Alternatives Section - Agency review draft	Within 120 days of submittal of both the Public Review Draft—Upland and Marine Data Summary Reports									
	Ecology review										
	Interim Action Alternatives Evaluation Report - Agency review draft	Within 105 days of receiving Ecology's comments on the Draft Preliminary Cleanup Standards and Development of Alternatives Sections									
	Ecology review, guidance and policy development										
	Interim Action Alternatives Evaluation Report - Public review draft	Within 75 days of receiving Ecology's comments on the Agency Review Draft—Interim Action Alternatives Report									
	Public comment period										
Interim Action Alternatives Evaluation Report - Final draft	Within 75 days of receiving Ecology revisions for the Public Review Draft of Interim Action Alternatives Evaluation Report										
Interim Action Plan (Volume IV) - Agency review draft	Within 60 days of Ecology approval of Volumes I, II, and III										

## Definitions

### Upland Data Summary

A report describing the amounts and types of contamination in the former mill site, nearby coastal bluffs, and the path of ennis creek.

### Marine Data Summary

A report describing the amounts and types of contamination in the marine waters and sediments off the shore of the Rayonier Mill property.

### Interim Action Alternatives Evaluation

A report that lists a set of cleanup options and weighs them.

### Interim Action Plan

A list of cleanup activities planned for the site.