



**STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY**

Southwest Region Office

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January 29, 2024

Dustan Bott
U.S. Environmental Protection Agency
Superfund Emergency Management Division
1200 6th Ave, Ste 155 MS 12-D12-1
Seattle, WA 98101-3188
bott.dustan@epa.gov

Re: Annual Report for the Rayonier Mill Site Deferral Agreement

- **Site Name:** Port Angeles Rayonier Mill Site
- **Site Address:** 700 N Ennis, Port Angeles, Clallam County, WA 98362
- **Facility/Site ID:** 19
- **Cleanup Site ID:** 2270

Dear Dustan Bott:

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 October 26, 2022. The status of Natural Resource Damage Assessment and Restoration efforts are included for your information.

Rayonier Study Area (Interim Action Agreed Order)

In 2010, Ecology signed Agreed Order DE 6815 with Rayonier Properties LLC (Rayonier). The agreement calls for Rayonier to study the extent of contamination and assess cleanup options for the upland and marine portions of the Study Area.

The agreed order requires Rayonier to complete four tasks. Each task generates a deliverable. The task is complete when Ecology approves the deliverable.

- Evaluate contamination in the upland portion of the Study Area (Volume I).
- Evaluate contamination in the marine portion of the Study Area (Volume II).
- Evaluate cleanup options for the upland and marine portions of the Study Area (Volume III).
- Develop an agency-review draft interim action plan (IAP) for the Study Area (Volume IV).
 - Ecology will develop the public review draft and final interim action plans.

Data Summary for the Upland Portion of the Study Area (Volume I)

Ecology approved the public review draft of Volume I on January 3, 2013. The report was posted on the [Ecology's Rayonier Mill webpage](#)¹ and copies placed in repositories. We notified those on our mailing list that the report was available for review.

Data Summary for the Marine Portion of the Study Area (Volume II)

Ecology approved the public review draft of Volume II on December 4, 2014. Like Volume I, the report was posted on the webpage, copies placed in repositories, and those on our mailing list were notified.

Alternatives Evaluation for Study Area (Volume III)

Ecology approved the public review draft of Volume III on July 15, 2019. The report was posted on the webpage, copies placed in repositories, and those on our mailing list were notified.

From August 29, 2019, to November 26, 2019, Ecology held a public comment period on Volumes I, II, and III. During the comment period, on September 25, 2019, we held a public meeting in Port Angeles. We received 161 comments from individuals, organizations, businesses, tribes, and state and local governments. We responded to comments in a Responsiveness Summary dated January 2021. To follow-up with the public, we held an online public open house on February 9, 2021, providing an update on the Rayonier Mill Site and the Responsiveness Summary.

Ecology directed Rayonier to revise Volume III on March 9, 2021. We requested Rayonier revise the disproportionate cost analysis to reflect public concerns. Rayonier made the revisions and submitted a revised document May 24, 2021.

Ecology approved Volumes I, II, and III as Final versions on August 19, 2021.

¹ <https://ecology.wa.gov/Spills-Cleanup/Contamination-cleanup/Cleanup-sites/Rayonier-Mill-cleanup>

Rayonier's Agency-Review Draft Interim Action Plan for the Study Area (Volume IV)

The agreed order requires Rayonier to prepare an agency-review draft Interim Action Plan (IAP) for the Study Area (Volume IV). Like a Record of Decision, the interim action plan identifies the proposed remedies for the Study Area. In our August 19, 2021, letter approving the Volumes I, II, and III, Ecology directed Rayonier on the proposed remedies to include in Volume IV. The proposed remedies are different than the recommended alternatives in Volume III (discussed below).

On December 14, 2021, Rayonier submitted Volume IV with the recommended alternatives of Volume III as the proposed remedies, rather than the proposed remedies identified by Ecology. **Ecology determined that Rayonier did not satisfy the agreed order's requirements for Volume IV because Rayonier did not incorporate Ecology's proposed remedies into Volume IV.**

At issue, Rayonier recommended the use of enhanced monitored natural recovery (EMNR) for the sediment under the dock. There is uncertainty in the effectiveness of this recommended remedy due to limited sediment chemistry characterization and limited modeling of sediment bed movement post removal of the in-water structures (i.e., dock, jetty, treated timbers, and pilings). Given this uncertainty, Ecology proposed dredging the under-dock sediments as a more protective remedy as it reduces the potential for contaminated sediment to spread to other areas of the harbor and ensures the cleanup levels are achieved in a reasonable restoration timeframe.

Ecology's Draft Interim Action Plan

Ecology and Rayonier met several times in 2022 to discuss a possible resolution to selecting a remedy for the under-dock sediments. It was determined that Ecology would prepare a Decision Framework detailing the additional sediment data and hydrodynamic modeling needed, and the remedy selection decision criteria. The Decision Framework would support a contingent remedy for the under-dock sediments and would be integrated into the IAP.

Over the past year, Ecology developed the Decision Framework. The additional sediment data will be collected during pre-remedial design. The decision criteria set forth in the Decision Framework uses the additional sediment data and hydrodynamic modeling to determine appropriate remedies for the under-dock sediments that are effective after removal of the large in-water structures.

Additionally, over the past year, Ecology revised Volume IV into Ecology's draft IAP. The draft IAP describes the cleanup actions proposed for the Rayonier Mill Study Area. On November 29, 2023, Ecology sent the draft IAP to Rayonier for review, and met with Rayonier to walk through the draft IAP on January 11, 2024. Rayonier is to provide comments on the draft IAP by January 29. In early 2024, Ecology expects to finalize the draft IAP into a public review draft and negotiate a legal agreement (e.g., consent decree) with Rayonier to implement the IAP. Ecology

will then take public comment on the draft agreement and IAP. We anticipate public comment later in 2024.

The selected remedy includes:

Soil Remedy

Ecology selected Alternative SL-3 as the remedy for soil cleanup. Under Alternative SL-3, soil exceeding unrestricted use soil cleanup levels would be consolidated and capped in the west mill area. Approximately 31 acres exceed soil cleanup levels. Twenty-one acres of contaminated soil would be moved, consolidated, and capped on the remaining 10-acre area of soil that exceeds cleanup levels. The alternative is permanent to the maximum extent practicable and does not rely primarily on institutional controls and monitoring. The estimated cost is \$10 million.

Volume III recommended Alternative SL-2. Under Alternative SL-2, soil exceeding remediation levels, intended to protect occasional users of the property, would be consolidated, and capped in the west mill area. Approximately 20 acres exceed soil remediation levels. Ten acres of contaminated soil would be moved, consolidated, and capped on the remaining 10-acre area of soil that exceeds remediation levels. The remedy relies on institutional controls for areas where soil contamination exceeding cleanup levels remains. The estimated cost is \$7.4 million.

Groundwater Remedy

Ecology selected Alternative G-1 as the remedy for groundwater. This is the same alternative recommended in Volume III. Groundwater will be treated using air sparging prior to discharge to the marine environment. The estimated cost is \$5.7 million.

Sediment Remedy

Ecology selected Alternative S-2, which is the same alternative recommended in Volume III, but with an important modification. Our modification proposes a contingent remedy of dredging, thin layer capping or EMNR based on the Decision Framework for the dock footprint and nearshore sediment, rather than using EMNR. The dock footprint sediment is not well characterized because the large dock structure limits access for sampling.

The proposed methods to cleanup sediment in other areas are the same as described for Alternative S-2 in Volume III. Intertidal sediment would be dredged, ship berths would be filled, and EMNR would be used for subtidal sediment. The estimated cost of Alternative S-2 is \$10.9-13 million, but the cost of Ecology's selected remedy may be higher depending on the contingent remedy selected for the dock footprint sediment.

Dock & Jetty Removal and Shoreline Re-Contouring

The dock and jetty are located on state-owned aquatic lands. The Washington State Department of Natural Resources (DNR) holds a lease agreement with Rayonier for the use of the aquatic lands and the presence of these structures. Under that agreement, Rayonier is currently planning the removal of the dock and jetty and accomplishing shoreline re-contouring.

During summer 2021, Rayonier removed the top decking of the dock. The remaining structure is nearly 4000 creosote pilings and timber stringers. Due to its deteriorated condition, removal of the dock is a high priority for Rayonier and Ecology. The remaining in-water structures (i.e., dock, jetty, treated timbers and pilings) are expected to be removed as part of the DNR lease closeout.

The treated timbers and pilings in contact with marine water or sediment are a source of contamination. As part of the IAP, Ecology is requiring the removal of the treated timbers and pilings. Rayonier Mill Off-Property Soil Dioxin Study

Ecology decided it was appropriate to postpone finalizing the off-property soil dioxin study report and the responsiveness summary while we focused on the Rayonier Study Area.

Stakeholder, Tribal, and Public Involvement

To inform and consult with stakeholders, tribes, and the public, we host opportunities for communication on a regular basis. We hold bi-monthly calls with the LEKT, and quarterly update calls with DNR. In addition, we are holding quarterly update calls with a community group consisting of the Port Angeles city manager and three interested members from the public. This group petitioned the Ecology Director to hold these update meetings. We maintain a Rayonier Mill site webpage with narrative information about the site. Electronic documents related to legal, technical, and public outreach are available at the webpage.

Ecology's Southwest Region Office in Lacey has a printed document repository available to the public anytime by appointment. During comment periods, the Port Angeles Public Library provides local access to printed documents for public review during the comment period.

We anticipate holding a 60-day public comment period on the draft implementing agreement and IAP in 2024.

Proposed Schedule Adjustments

Rayonier provided all submittals as scheduled in the agreed order or based on granted extensions. However, as discussed above, Rayonier submitted Volume IV that does not satisfy

the requirements of the agreed order. Ecology revised Volume IV into a draft IAP including a Decision Framework for the under-dock sediments (discussed above).

Rayonier and Ecology will negotiate an implementing agreement (e.g., consent decree or agreed order) to implement the plan. Ecology will then take public comment on the draft implementing agreement and draft IAP.

Ecology is proposing that the project milestones in the deferral agreement's schedule of events be revised as shown in Enclosure B.

Project Administration

While the deferral agreement pertains to the Rayonier Mill Site, Ecology has identified several other potential sources of contamination to Port Angeles Harbor. Ecology is committed to cleaning up all contamination in the harbor. We also have an interest in settling natural resource damage 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 complete cleanup and restoration of Port Angeles Harbor.



Rayonier Mill/Port Angeles Harbor Cleanup & Restoration

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 pre-assessment screening for the Port Angeles Harbor was completed in August 2013.

The Trustee Council negotiated a funding and participation agreement with Rayonier. Rayonier signed the agreement and three addenda, which include partial reimbursement of past interim costs, funding for four phases of work, and a timeline for completing the entire assessment. The Trustees and Rayonier negotiated a draft consent decree and appendix focused on an Ennis Creek restoration project. However, negotiations on restoration have paused as Rayonier is focused on cleanup under MTCA and the removal of the dock and lease close-out requirements with DNR.

Next Steps for the Rayonier Mill Site

Activities related to cleanup for the Study Area:

- Ecology considers Rayonier’s comments on Ecology’s draft IAP, which are due on January 29, 2024. It is a priority for Ecology to finalize the IAP and avoid ongoing back and forth with Rayonier.
- Ecology and Rayonier negotiate a legal agreement to implement the IAP (e.g., consent decree, agreed order, or possibly a unilateral order).
- Ecology takes public comment on the draft Interim Action Plan for the Study Area and implementing legal agreement.

Activities related to the Dock & Jetty Removal and Shoreline Contouring:

- Rayonier designs the dock/jetty removal and shoreline re-contouring project.

Under Section III, E of the deferral agreement, Ecology is to brief EPA on the selected cleanup action before soliciting public comment. If you are interested, we can arrange a presentation of the selected cleanup action, either in person at Ecology or via MS Teams. If you have any questions or concerns, please contact me at rebecca.lawson@ecy.wa.gov or 360-790-2231.

Sincerely,



Rebecca S. Lawson, P.E., LHG
Section Manager
Toxics Cleanup Program
Southwest Region Office

Enclosures (2) A – Port Angeles Rayonier Mill Timeline – 2010 Agreed Order to Plan for
Interim Actions (updated December 2023)
 B – Revised Schedule of Events (updated December 2023)

cc by email: Laura Buelow, USEPA, buelow.laura@epa.gov
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 Barry Rogowski, Ecology, barry.rogowski@ecy.wa.gov
 Ecology Site File

Enclosure A

Port Angeles Rayonier Mill Timeline – 2010 Agreed Order to Plan for Interim Actions (updated December 2023)

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

last update: 12/15/2023



Deliverable		Agreed Order Schedule (Days = Calendar Days)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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															
IAP Volume IV	Interim Action Plan (Volume IV) - Agency review draft	Within 60 days of Ecology approval of Volumes I, II, and III															
	Ecology review and revise Volume IV into Public review draft Interim Action Plan																
	Ecology and Rayonier negotiate implementing agreement																
	Public comment period																

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.

Public comment period

Completed

Completed

Completed

Ecology Responsiveness Summary

Ecology Responsiveness Summary

Ecology Responsiveness Summary

Ecology revised draft IAP

Enclosure B

Revised Schedule of Events (updated December 2023)-

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Enclosure B

Revised Schedule of Events¹

Task	Proposed Completion Date
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	Completed July 2019 (approved July 2019)
Public comment period for Volumes I, II, and III	Completed Fall 2019
Completion of the Final Interim Action Report Volumes I, II, and III	Completed May 2021 (approved August 2021)
Rayonier submits Draft Interim Action Report Volume IV – Interim Action Plan for the Study Area	Submitted December 2021 (not approved by Ecology)
Ecology completes Draft Interim Action Plan for the Study Area	Q1 & Q2 2024
Ecology and Rayonier negotiate implementing agreement	Q1 & Q2 2024
Public comment period for IAP and implementing agreement	Q3or Q4 2024
Implementation of Interim Action	Per Schedule in Next Agreed Order/Consent Decree

Blue – Task related to Interim Action Study Area.

White – Task is a related Ecology-lead project.

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