

Phase I Environmental Site Assessment

OREGON PINE

**Lot 300 in Section 22 of T. 13 S., R. 31 E.
John Day, OR 97845**

Prepared for:

**Nicholas Green, City Manager
City of John Day
450 East Main Street Day OR 97845**

Prepared by:

Mark Yinger, R.G.



Expires: 6/1/17



EXECUTIVE SUMMARY

Mark Yinger has performed a Phase I Environmental Site Assessment (ESA) in general accordance with the scope of work and limitations of ASTM Standard Practice E1527-13, the Environmental Protection Agency Standards and Practices for All Appropriate Inquiries (AAI) (40 CFR Part 312) for the property Tax Lot 300 in SE ¼ of Section 22 of Township 13 South, Range 31 East, located at John Day in Grant County, Oregon (the "subject property"). The Phase I Environmental Site Assessment is designed to provide the City of John Day with an assessment concerning environmental conditions (limited to those issues identified in the report) as they exist at the subject property.

Property Description:

The subject property is comprised of Grant County tax lot number 300 on Tax Assessor map 13S31E22D. The subject property is in the community of John Day, Oregon, but is not within the city limits. The subject property is located approximately three-quarters of a mile west of historic downtown John Day. The subject property is within the urban growth boundary of the City of John Day.

Subject Property Data

Address: No address

Historical Address: None

Property Use: Not in use – the mill machinery is mostly removed or dismantled

Land Acreage (Ac): 50.43 Acres

Number of Buildings: Three industrial buildings

Number of Floors: Mezzanine work floors

Gross Building Area (SF): not known

Date of Construction: not known

Tax Lot: 300 on Grant County Assessor Map 13S31E22D

Owner: D.R. Johnson Lumber Co.

Type of Construction: Steel and wood framed, metal roofs & siding, concrete slab foundations

Site Assessment Performed by: Mark Yinger

Site Assessment Conducted On: May 5, 2017

General Site Use: The subject property has had minimal use since the chip plant shut down in 2007. The sawmill and chip plant have been deconstructed since the 2007 closing. The sawmill and some of the chip machinery were sold off and removed from the subject property. Three industrial buildings remain: the Truck Shop, the Planer Shed, and the Chipper Shed. The Truck Shop building is substantial with insulation and doors that can be shut. The Planer and Chipper Sheds are simple, open structures.

Historical Use: The D.R. Johnson Lumber Company, the current owner, purchased the subject property from Walter E. Heller & Company in 1984. For many years, the subject property was the site of the Oregon Pine Products, a D.R. Johnson sawmill and chip plant. The most recent use of the subject property was to chip logs. The chip plant shut down in 2007.

Beginning in the 1930s, a sawmill operated on the southern portion of the subject property. The use expanded between 1937 and the late 1940 to include mining. The subject property north of the John Day River was dredged by one of the largest bucket line gold dredges to operate in Oregon. Rows of dredge tailings covered this portion of the subject property for many years. The dredge tailings were eventually flattened so this area could be used as a log yard for the mill.

Surrounding properties: US Highway 26 bounds the subject property on the south. One residence, adjacent on the south side of Highway 26, is the only development on the south side of the highway. The west adjacent properties are accessed from Patterson Bridge Road. From south to north along the west property line the adjacent properties are a residence, Clark's Disposal Services, Oregon Department of Forestry, and the Oregon Department of Fish and Wildlife.

Iron Triangle Logging Company offices, truck shop, and storage yard occupy the north adjacent property. The adjacent land east of the subject property, north of the John Day River, is undeveloped and part of the City of John Day Sewage Treatment Plant.

The east adjacent properties, starting at Highway 26 and moving north to the John Day River, are Mills Building Supply, J D Rents, a warehouse, a UPS distribution site, storage units, and a mobile home park.

Groundwater flow and direction: The average elevation of the subject property is 3,050 feet above mean sea level (USGS 7.5 minute John Day OR Quadrangle). The west flowing John Day River bisects the subject property.

North of the John Day River, the subject property has been dredged. Due to increased permeability caused by the dredging, the depth to groundwater will likely be 10 to 15 feet beneath the surface with a southwesterly flow direction. The subject property south of the John Day River is underlain by alluvium deposited by the John Day River. Permeability of the undisturbed alluvium is likely to be less than that of the dredge tailings on the subject property north of the river. In the summer and fall, groundwater on the south side of the river is expected to be 2 to 10 feet beneath the surface and to flow in a westerly direction. This is based on area hydrology, topography, and logs of monitoring wells in the vicinity of the subject property.

Findings

A *recognized environmental condition (REC)* refers to the presence or likely presence of any hazardous substances or petroleum products in, on, or at a property: due to release to the environment; under conditions indicative of a release to the environment; or under conditions that pose a material threat of a future release to the environment. The following was identified during the course of this assessment:

- Mark Yinger identified the following environmental conditions during the course of this assessment.
 1. Mechanic's Pit Sump: The mechanic's pit in the Truck Shop building has a sump. The sump is filled with oily sludge. The sump may be connected to a drain pipe or simply drain into the subsurface. Petroleum and solvents may have been released to the environment via the sump.

2. Hydraulic Oil Tanks: In the Chipper Shed there are two hydraulic tanks, a 300-gallon tank and a 500-gallon tank. The 300-gallon tank is 90 percent full. There is no sign of leakage. The 500-gallon tank is approximately 50 percent full. There is heavy oil staining on the steel leak containment pan beneath this tank and pump. There is no secondary containment for these two tanks. There is also an open 5-gallon pail of oil on the leak containment pan. The two tanks and the 5-gallon pail of oil pose a material threat of a release to the environment.
3. Reddish-orange stained soil adjacent to the southeast corner of the concrete pad on the south side of the lumber sorter shed. Few plants grow in the area of the red-orange stained soil. The staining is not surficial. The staining may be ink used to stamp finished lumber products. The pigment may contain hazardous metals.
4. Oil stained kill zone: Approximately 200 feet west-southwest of the Truck Shop is a 15-foot by 15-foot, oil stained area in which no plants grow. The soil has a strong petroleum odor. There had been a utility pole at this location with two electrical transformers on it as recently as 2013. Oil from the transformers may have been released at this location.
5. Heavy oil stains:
 - a. Approximately 100-feet south of the southeast corner of the Truck Shop is a recent, heavy oil stain.
 - b. Patches of oil staining were observed on the ground below the Link-Belt log loader, the Prentice log loader, the Petibone Multilkrane, and 8 feet east of the Caterpillar log loader on the north side of the river.
6. Containers with petroleum products with no secondary containment:
 - a. Truck Shop: 5-gal. can of Regal Oil R&O
 - b. Chipper Shed: One open, 5-gallon bucket of oil adjacent to 500-gallon hydraulic tank, (1) 55-gallon drum ¼ full of grease, (1) 55-gallon drums gear oil, partial,
 - c. Sorter Chain: (1) 55-gallon drum with oil sludge in bottom.

A *controlled recognized environmental condition (CREC)* refers to a REC resulting from a past release of hazardous substances or petroleum products that has been addressed to the satisfaction of the applicable regulatory authority, with hazardous substances or petroleum products allowed to remain in place subject to the implementation of required controls. The following was identified during the course of this assessment:

- Mark Yinger did identify a controlled recognized environmental conditions during the course of this assessment.

Between 2009 and 2013 Mark Yinger Associates performed a Phase I Environmental Site Assessment, an investigation and cleanup at the Oregon Pine site. The DEQ reviewed this work and issued a no further action letter (NFA). The NFA letter contains the following:

"Localized and limited areas of contamination remain on the site. DEQ approves leaving this contamination because the contamination does not present an unacceptable risk to human health, safety, welfare and the environment. Any future work in the contaminated areas of the property,

including sampling, management, and disposal of contaminated soil and/or groundwater must be performed in accordance with DEQ regulations and polities”.

A *historical recognized environmental condition (HREC)* refers to a past release of any hazardous substances or petroleum products that has occurred in connection with the subject property and has been addressed to the satisfaction of the applicable regulatory authority or meeting unrestricted use criteria established by a regulatory authority, without subjecting the property to any required controls. The following was identified during the course of this assessment:

- Mark Yinger identified one historical recognized environmental condition during the course of this assessment.

The 2014 -Oregon DEQ No Further Action Determination for the Oregon Pine site states the following:

“Localized and limited areas of contamination remain on the site. DEQ approves leaving this contamination because the contamination does not present an unacceptable risk to human health, safety, welfare and the environment. Any future work in the contaminated areas of the property, including sampling, management, and disposal of contaminated soil and/or groundwater must be performed in accordance with DEQ regulations and polities”.

An *environmental issue* refers to environmental concerns identified by Mark Yinger, which do not qualify as RECs; however, warrant further discussion. No environmental issues were identified.

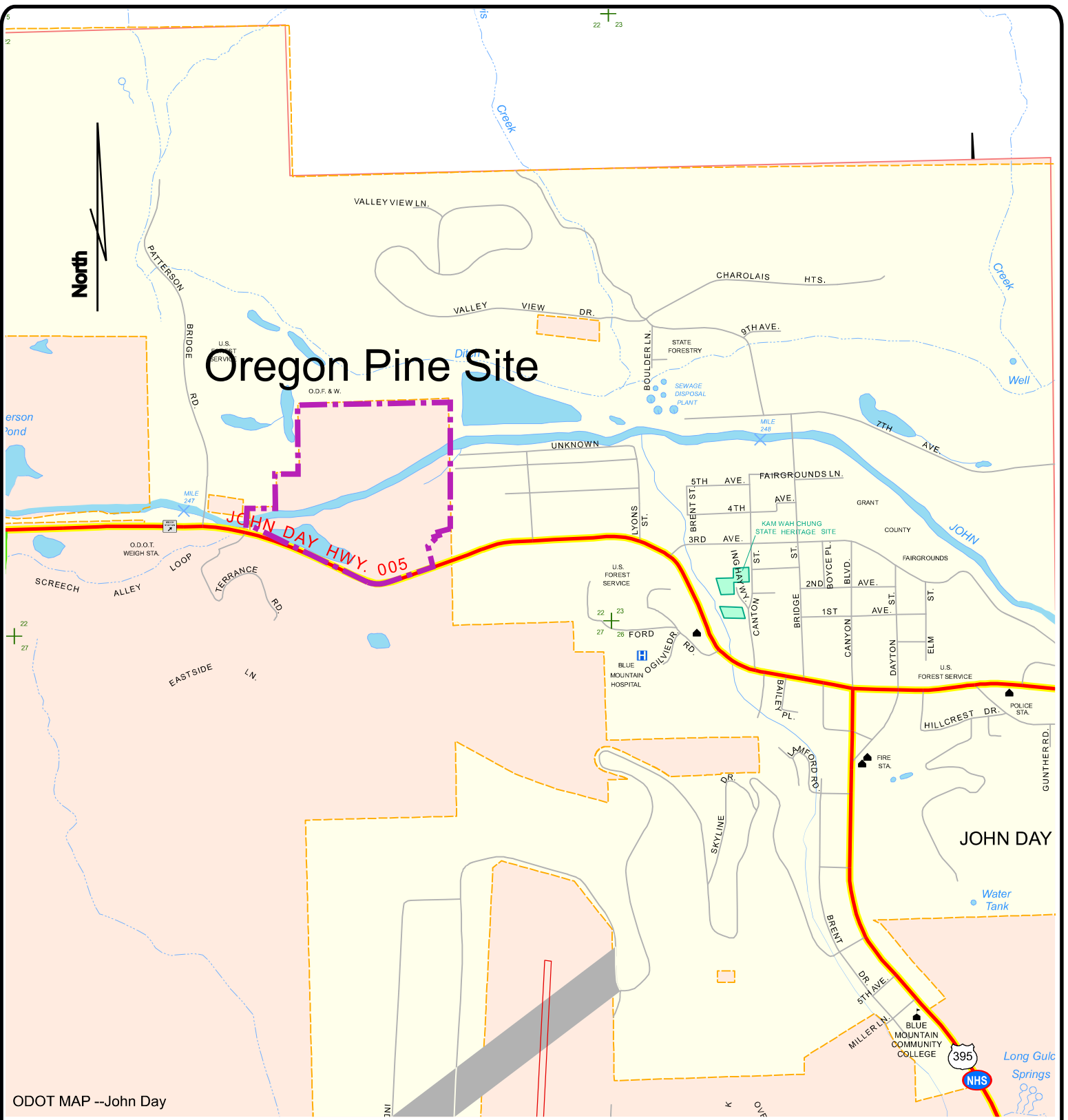
Conclusions, Opinions and Recommendations

Mark Yinger has performed a Phase I Environmental Site Assessment in conformance with the scope and limitations of ASTM Practice E1527-13 of Tax Lot 300 in the SE ¼ of Section 22 of Township 13 South, Range 31 East (the “subject property”). Any exceptions to, or deletions from, this practice are described in Section 1.4 of this report.

This assessment has revealed evidence of recognized environmental conditions in connection with the subject property. Based on the conclusions of this assessment, Mark Yinger recommends following:

1. The sump in the floor of the mechanic’s pit in the Truck Shop needs to be cleaned and investigated to determine where it drains to. The sump should be seal with concrete after cleaning. Several borings should be made through the floor of the shop to test for impact to soil and groundwater.
2. The hydraulic oil in the tanks at the Chipper Shed should be drained and the oil removed from the subject property. If it remains on the subject property in drums the drums should be in secondary containment. The open 5-gallon pale of oil should be removed from the subject property or placed in secure secondary containment.
3. A sample of the reddish-orange stained soil should be tested for hazardous metals.

4. The vegetation kill zone with an oil odor located southwest of the truck shop should be sampled and the soil tested for petroleum and polychlorinated biphenyls (PCBs).
5. The recent oil spills should be cleaned up by excavation and disposal at the Crook County Landfill. The extent of the cleanup excavations should be based on field screening. A composite sample of the waste should be collected to characterize the waste so that it can be disposed at the landfill.
6. The containers listed above in item six should be removed from the subject property or placed in secondary containment.

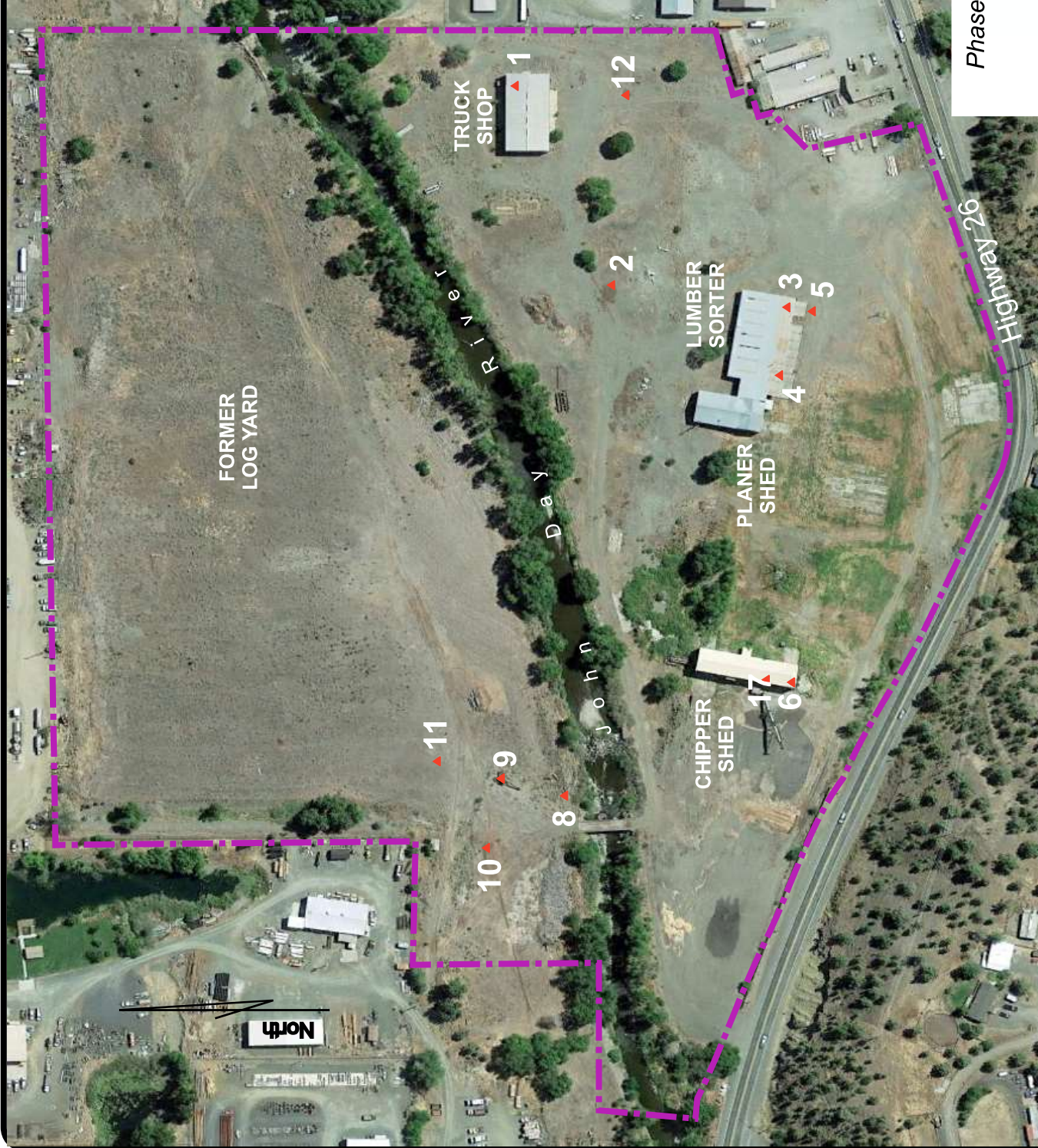


*Phase I Environmental Site Assessment
Oregon Pine Site
John Day OR*

**Figure 1
Vicinity Map**



Groundwater & Environmental Consultants
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Areas of Concern

- 1...Mechanic's pit sump
- 2...15' x 15' patch of petroleum contaminated soil
- 3...Petroleum contaminated soil east end of lumber sorter
- 4...Petroleum contaminated soil west end of lumber sorter
- 5...Red staining on ground
- 6...300 gal. tank hydraulic oil
- 7...500 gal. tank hydraulic oil
- 8...Heavy oil stain leaked from equipment recently removed
- 9...Heavy oil stain beneath log loader
- 10...Heavy oil stain beneath mobile crane
- 11...Heavy oil stain beneath log loader
- 12...Heavy, recent oil stain



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