Eligible Activity Exercise

The site comprises approximately 10 acres and is part of a larger 50-acre parcel that was the former location of a paper mill that operated from 1920 until plant closure in 1990. Most of the plant was demolished upon closure leaving behind approximately 150,000 square feet of at-grade slabs and basements. Several small outbuildings remain on the site which were built in the 1950s and used for equipment storage. Under the authority of Section 106 of the National Historic Preservation Act, the State Historic Preservation Office issued a formal opinion concurring that the outbuildings are of no historical significance and that the proposed project will have no adverse impact on the site.

Sampling has shown that the soil in, around, and beneath the surface slabs and buried structures is contaminated. In addition, approximately 3-acres of the site is covered with a 1-2 foot thick layer of a mixture of cinders, ash and sludge residue from the former plant operations. This is the same material found in and around the slabs and sub-grade structures. This material is contaminated with heavy metals and semi-volatile compounds at levels above the State's direct contact values for residential use. There are also several coal pile remnants and an area of soil contaminated with PCBs near a former transformer house. The planned end use of the site is single family homes. The approved cleanup plan provides for the consolidation and on-site management of as much of the contaminated materials as possible through a combination of engineering controls (road ROWs and greenspace). Material in excess of what can be managed on-site will be transported off-site for disposal. Groundwater, though impacted, will not impede the reuse of the site as all homes will be connected to the City's municipal water supply system. Cleanup costs are estimated at approximately $850,000 and the RLF grantee executes a hazardous substance loan with the developer as the borrower. Your mission is to determine if the following activities authorized by the borrower are eligible under the RLF program.

1. Some of the loan funds are being used to finalize the cleanup plan for review and approval by the State's Voluntary Cleanup Program (VCP). After the VCP reviews the draft cleanup plan, it requires some additional sampling to fill in data gaps and one additional round of groundwater sampling to confirm that previously documented releases to groundwater have not significantly changed. The borrower uses loan funds to undertake the additional sampling required by the VCP.

2. There were several "hot spots" identified during the assessment work that are located outside the main area requiring soil excavation and management. These hot spots also require excavation due to the levels of contamination in the surface soil. As the bid specifications for the cleanup are being prepared, the borrower authorizes the use of

loan funds to undertake some limited “step out” sampling of each hot spot to more fully delineate these areas. This will better enable the borrower’s consultant to develop more detailed bid specifications.

3. During preparation of the bid specifications for cleanup, and upon reviewing additional historical information on the site, the borrower’s consultant identifies an area of concern on a portion of the site that had not previously been characterized. Given the history of the site and results of previous site characterization, if this new area is contaminated it would be expected to be by the same contaminants of concern and managed in the same way as what is being addressed with loan funds. The borrower authorizes its consultant to use loan funds to characterize soil and groundwater in this additional area of concern.

4. Cleanup has started and is ongoing. Soil confirmation sampling is showing that the area requiring excavation in larger than originally defined. Contamination extends beneath the outbuildings that remain from the historical industrial operations. The contractor consults with the borrower and it’s on site consultant, and authorization is given to use loan funds to remove the buildings.

5. Remember that the original loan was for addressing soil contaminated with hazardous substances. During the excavation of contaminated soil, the contractor unexpectedly encounters a 1,000 gallon underground storage tank with some residual petroleum product in the tank. At a minimum, the tank is surrounded by soil contaminated with hazardous substances that must be excavated as part of the cleanup. Again, the contractor consults with the borrower and receives authorization to remove the tank and its contents with loan funds, and conduct cleanup verification sampling of adjacent soil.

6. The VCP charges fees for document review including: 1) the draft cleanup plan and cleanup completion report; 2) cleanup oversight; and 3) issuance of a Certificate of Completion, No Further Action Letter, Covenant Not To Sue, or whatever the VCP does to certify that the cleanup is complete. The borrower uses loan funds to pay these fees.