

Portland Harbor Natural Resource Damage Assessment Phase 2: Allocation Summary Memo for ESCO Inc.

1.0 INTRODUCTION

ESCO Inc. (ESCO), an owner and operator of sites in Portland Harbor, has engaged in activities resulting in releases of substances of concern. As part of the Portland Harbor natural resource damage assessment (NRDA) Phase 2 process, and for settlement purposes only, the Trustee Council developed a party-specific allocation of natural resource damages liability for 29 properties with which ESCO Inc. is associated: Sites 138, 203, 215, 224, 304, 539, 566, 572, 609, 639, the ESCO Main Plant, and 18 additional properties.¹² That liability is determined in units of discounted service acre-years (DSAYs). Based on the information gathered throughout the Phase 2 process, methods described in the Trustee Council's allocation methodology report, and data and assumptions described below, ESCO's liability is calculated to be 0.007 DSAYs.

This memorandum summarizes the information the Trustee Council utilized to develop the allocation, and is organized as follows:

- ❖ Section 2 provides background information.
- ❖ Section 3 describes general operations at ESCO's sites.
- ❖ Section 4 outlines ESCO's activities at their sites.
- ❖ Section 5 is a list of references.

¹ ESCO Main Plant and the 18 additional properties were not assigned an allocation site number.

² The allocation presented in this memorandum is limited to an allocation of natural resource damages liability by the Trustee Council and does not inform or have any application relative to other environmental liabilities associated with the Portland Harbor Superfund Site, including but not limited to remedial liability. The use of "allocation" or "liability" in this memorandum refers only to the Trustee Council's settlement-oriented allocation of natural resource damages liability.

2.0 OVERVIEW OF ESCO SITES

Exhibit 2-1 is a map of the ESCO sites included in their party-specific allocation, and Exhibit 2-2 outlines background information for each of these sites. The relevant tax lot parcels are described in Appendix A of the Consent Decree associated with the settlement of natural resource damages for these parcels.

EXHIBIT 2-1 MAP OF ESCO SITES

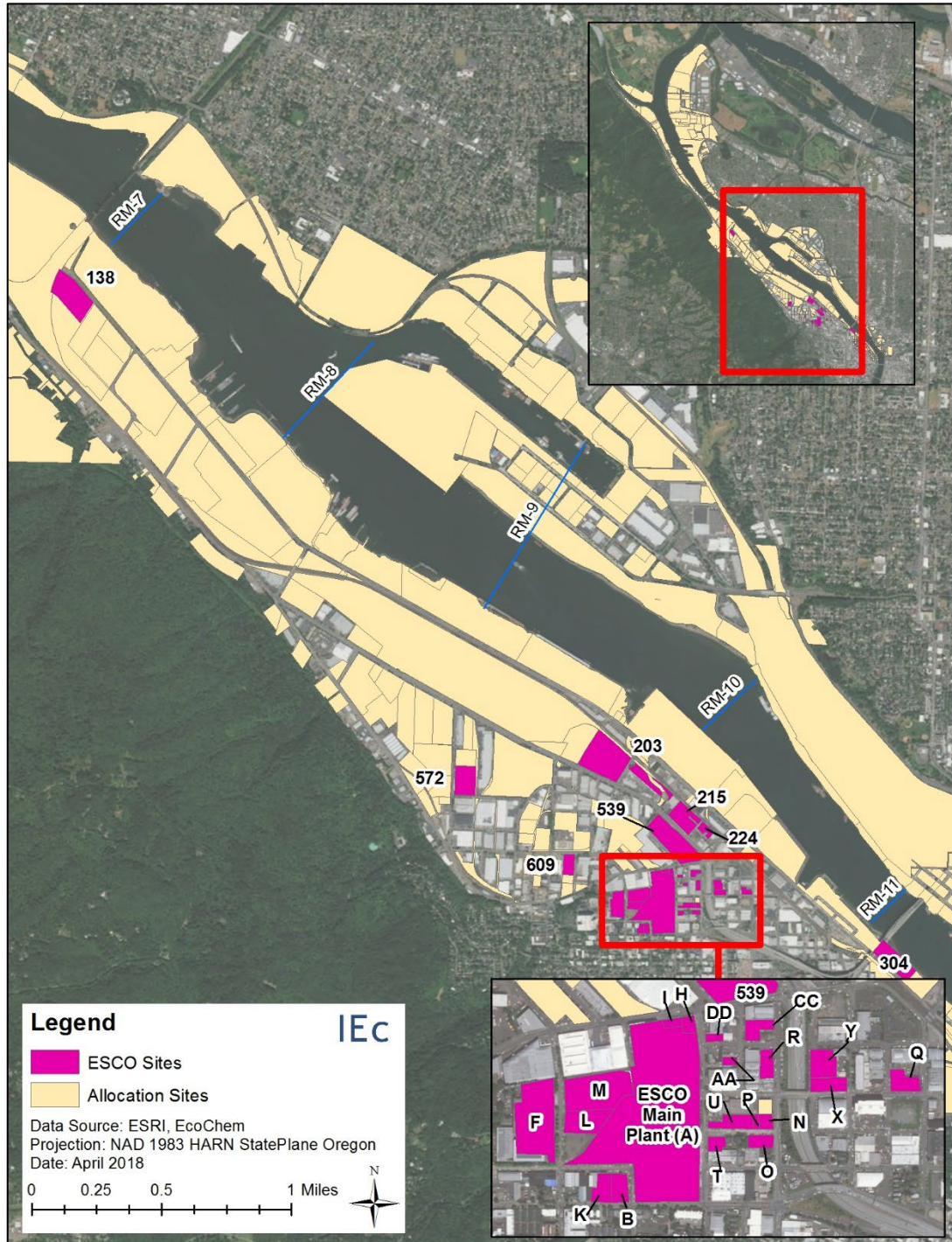


EXHIBIT 2-2 ESCO SITE BACKGROUND INFORMATION

SITE ID	SITE ADDRESS¹	CURRENT OWNER	ESCO DATES OF OWNERSHIP	ESCO DATES OF OPERATION	SITE ACREAGE
138	6900 NW Front Ave	ESCO Corporation	1966-Present	1957-1983	10.5
203	3200-3250 NW Yeon Ave 3342 NW 26 th Ave	IPC Property Owner Pool 3 West, Yeon Industrial Park Condominium, Wendland Properties LLC, McDonald's USA LLC, Spire-Yeon LLC	None	1947-1963	<0.50
215	2211 NW Brewer St	ESCO Corporation	1984-Present	1984-Present	0.5
215	2760 NW Yeon Ave	ESCO Corporation	1998-Present	1998-Present	1.48
215	2770 NW Yeon Ave	ESCO Corporation	1952-Present	1954-Present	3.23
224	2245 NW Suffolk St	Henry P Oseran & Associates	None	1998-Present	1.26
304	1650 NW Naito Pkwy	Fremont Place LP	None	1998-2013	0.07
539	2345 NW Nicolai St	Francis Development LLC	None	1995-1996	1.39
566	2407 NW 28 th Ave	BWG LLC	None	1996-2002	1.33
572	3136 NW 35 th Ave	Standard Steel Property LLC	None	2008-Present	3.69
609	2535 NW 28 th Ave	DB & EB LLC	None	1981-1989	0.25
639	NW Corner 23 rd and NW Roosevelt St	ESCO Corporation	1965-Present	1965-Present	0.23
ESCO Main Plant	2141 NW 25th Ave	ESCO Corporation	1913-Present	1913-Present	15.57

ESCO Site B	2141 NW 25th Ave	ESCO Corporation	1943-Present	1943-Present	0.50
ESCO Site F	2300 NW 26th Ave, 2127 NW 26th Ave, 2635 NW Wilson St	1535-A1 LLC, UPG American Can Property Owner LLC	None	1976-Present	4.54
ESCO Site H	2404 NW Nicolai St	ESCO Corporation	1980-Present	None	0.23
ESCO Site I	2414 NW Nicolai St	ESCO Corporation	1977-Present	1977-Present	0.15
ESCO Site K	2539 NW Vaughn St	ESCO Corporation	1985-Present	None	0.53
ESCO Site L	Part of 2300 NW 26th Ave	1535-A1 LLC	None	1974-Present	1.00
ESCO Site M	2300 NW 26th Ave	ESCO Corporation	1980-Present	1980-Present	2.36
ESCO Site O	SW Corner 23rd and NW Roosevelt St	ESCO Corporation	1967, 1969- Present	1967, 1969- Present	0.38
ESCO Site P	2321 NW Roosevelt St	ESCO Corporation	2004-Present	2004-Present	0.05
ESCO Site Q	2133 NW York St	Portland Y 222 LLC ET AL	None	1989-1997	0.69
ESCO Site R	2306 NW Reed St	SP Property Investments LLC	None	1982-1987	0.46
ESCO Site T	2380 NW Roosevelt St	Spears Roosevelt LLC	None	1968-1999	0.27
ESCO Site U	NE Corner 24th and NW Roosevelt St	ESCO Corporation	1962-Present	1962-Present	0.66
ESCO Site X	2311 NW York St	ESS-GS York LLC	None	1968-1985	0.53
ESCO Site Y	2249 NW York St	PLB Investments LLC & Bacchus Investors LLC	1968-2005	1968-2005	0.73
ESCO Site AA	2335 NW 23rd Pl	2329 NW 23 rd Place LLC	None	1978-early 1980s	0.23
ESCO Site CC	2400 NW 23rd Pl, 2425 NW 23rd Ave	Nams Inc	None	1969-1989	0.56
ESCO Site DD	2425 NW 23rd Pl	Green Transfer & Storage Co	None	1978-1981	0.11

Note.

1. All addresses are located in Portland, Oregon.

3.0 ESCO OWNERSHIP AND OPERATIONS

The following section briefly describes ESCO's ownership of and operations at the sites listed in Exhibit 2-2.

SITE 138 (Willbridge Landfill)

ESCO operated Willbridge Landfill from 1957 to 1979. Operations consisted of placing used foundry-related waste materials such as spent sand cores, molds, slag, and refractory materials from its Portland operations (Main Plant and Plant 3) into the remnant of Doane Lake. Estimates of used foundry materials in the landfill range from approximately 323,000 to 436,000 cubic yards. From 1957 until 1966, ESCO's filling took place with the consent of the Property owner at that time. ESCO acquired the Willbridge Landfill property in 1966 and still retains ownership. ESCO operated Willbridge Landfill until 1979. Then, in 1983 the landfill was closed, graded and contoured, and finally capped with soil and re-vegetated. The property remains vacant land.

SITE 215 (Plant 3) and the ESCO Main Plant

ESCO currently operates two steel foundries in northwest Portland that manufacture steel parts used primarily in mining, dredging, and construction applications. The size of the parts manufactured at the plants ranges from 40 pounds to many thousands of pounds each. The Main Plant has been in operation since 1913 and historically has manufactured larger parts, typically over 50 pounds each. ESCO purchased this property in 1952 and began steel foundry operations and manufacturing in 1954. Operating since 1954, Plant 3 makes smaller parts, typically less than 50 pounds each. Other than product size, the basic operations at the two plants are similar. The manufacturing process involves mold and core making, refining clean scrap steel (melting); pouring the steel into a mold (pouring); allowing the steel to cool and harden (cooling); removing the cast metal part from the mold (shakeout); and finishing operations such as cutting, grinding, welding, sandblasting and heat treating, and painting.

Sites 203, 224, 304, 539, 566, 572, 609, 639, and additional ESCO properties B, F, H, I, K, L, M, O, P, Q, R, T, U, X, Y, AA, CC, and DD

ESCO leased these sites for storage space or office administrative use from as early as 1947 until present. For example, Sites 539 and 572 were used for non-manufacturing pattern storage.

4.0 ESCO ACTIVITIES

Exhibit 4-1 identifies, for each of ESCO’s properties in Appendix A of the Consent Decree, the activities that had the potential to result in the release of one or more of the substances of concern included in the Trustee Council’s evaluation of natural resource damages. These types of activities are further described in the Trustee Council’s allocation methodology report.

EXHIBIT 4-1 ESCO-RELATED ACTIVITIES¹

ESCO Activities - Site 138
industrial landfilling of ESCO steel foundry waste
landfilling of Doane Lake by surrounding properties
ESCO Activities - Site 215
Above-ground storage tank (AST) hydraulic fluid
Underground storage tank (UST) diesel
AST waste oil
fueling operations
steel fabrication
ESCO Activities - ESCO Main Plant
UST waste oil
UST diesel
UST gasoline
AST diesel
AST hydraulic fluid
AST waste oil
fueling operations
steel fabrication

Note.

1. ESCO did not conduct relevant activities on Sites 203, 224, 304, 539, 566, 572, 609, 639, and the 18 additional ESCO properties.

5.0 REFERENCES

Lower Willamette Group. 2009. Portland Harbor Draft Remedial Investigation Report. Prepared by Integral Consulting, Inc., Windward Environmental LLC, Kennedy/Jenks Consultants, and Anchor QEA, LLC.

Oregon Department of Environmental Quality. 2013. Environmental Cleanup Site Information Database. <https://www.deq.state.or.us/lq/ECSI/ecsiquery.asp?listtype=lis&listtitle=Environmental+Cleanup+Site%20Information+Database>

Portland Harbor Natural Resource Trustee Council. 2022. Portland Harbor Natural Resource Damage Assessment: Allocation Methodology Report. Prepared by Industrial Economics, Incorporated.

The Trustee Council also reviewed six additional documents submitted by Phase 2 parties that are settlement confidential and therefore not identified.