



August 16, 2002

Department of the Army
U.S. Army Engineer District, Alaska
P.O. Box 6898
Elmendorf AFB, Alaska 99506-6898
Attn: Carey Cossaboom

1850574.260140/3.1

Subject: Report Delivery

Dear Mr. Cossaboom,

Following is in response to your letter regarding the timeliness of reports from MWH Americas, Inc. (MWH), specifically the Phase III RI and Risk Assessment Report for Northeast Cape (NEC). We appreciate your comments regarding our performance, and would like to take this opportunity to explain several difficulties in meeting the original schedule for the Phase III Draft RI and Risk Assessment Report for NEC, and to assure you that MWH is committed to improving the timeliness of future USACE deliverables.

As you are aware, the original schedule for submittal of the Draft Risk Assessment Report was February 11, 2002 and for the Draft Phase III RI was March 5, 2002. Due to several logistical and technical issues, however, it was impossible for MWH to meet this deadline. Logistical issues included the development of a comprehensive database containing sampling results from three phases of investigation over six different sampling periods. A significant portion of the data was only available in hard copy form and required hand entry. This effort put a substantial strain on the limited MWH resources originally scoped for this task. Once the database was assembled (March 2002), it became apparent that the confirmation sampling results associated with hazardous waste removal actions performed by Nugget Construction during the summer of 2001 were absent. Efforts to obtain confirmation sampling results and/or maps showing the locations of excavations were hampered by the termination of Nugget Construction's contract. Dr. Bruce Narloch, Principal Toxicologist with MWH, described issues related to the available database and the soil excavations in a memo to Ms. Lisa Geist on March 18, 2002. As a result of this memo, and through subsequent conversations with Ms. Geist, the USACE direction to MWH was to eliminate sampling results associated with excavated areas from the database, to the extent practicable. Ms. Geist was extremely helpful during MWH's efforts to obtain information related to the excavations from Nugget Construction, and we greatly appreciated her assistance.

Once the database was finalized, MWH required approximately five weeks to complete the human health and ecological risk assessments for the twenty source areas under evaluation for NEC. Upon completion of the risk assessments, several technical issues became apparent which Dr. Narloch believed required further consideration by the USACE and MWH. These issues were discussed between MWH and the USACE, as documented in a series of e-mail communications between Dr. Narloch and Ms. Geist during May 1 to June 6, as summarized below.

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- Original cumulative human health risk estimates for all sites included hypothetical subsistence plant and fish consumption. These exposure pathways dominated cumulative site risks, but were recognized as being based on a worst-case scenario involving consumption of plant and fish samples collected from Sites 28 and 29, respectively. Following discussion of this issue, the USACE and MWH decided upon an alternative method of cumulative risk calculation. Refer to e-mail correspondence between Dr. Narloch and Ms. Geist dated May 1, 2002.
- Evaluation of shallow groundwater as a potential potable water supply. Risks associated with potential future use of shallow groundwater as a potable water supply were evaluated for all sites, in compliance with Alaska regulations. Because risk estimates associated with this pathway exceeded ADEC risk criteria for nearly all sites, the applicability of this pathway was re-evaluated. The technical basis for seeking designation of the shallow groundwater as a non-drinking water source was conducted. Subsequently, the USACE and MWH decided to limit the applicability of the drinking water pathway to groundwater associated with the deeper wells present at Sites 22 and 26. Refer to e-mail correspondence between Dr. Narloch and Ms. Geist dated May 12, May 30 and June 6, 2002.
- Use of the surrogate approach for petroleum hydrocarbons, as recommended by ADEC, and literature-based bioaccumulation factors resulted in elevated risk estimates for ecological receptors. This issue required a literature search, alternative rationale development, and revised ecological risk calculations for all 20 source areas. Refer to e-mail correspondences between Dr. Narloch and Ms. Geist dated May 12, May 23 and May 30, 2002.

The above issues were resolved by approximately June 6, 2002. MWH finalized the human health and ecological risk calculations, and completed the risk assessment portion of the Draft Phase III RI report on June 26, 2002. The reports were then reviewed and combined into a single report during the month of July and delivered to the USACE on August 7, 2002.

In summary, MWH's commitment to quality on a project with many complex issues contributed to delays in submittal of the report. However, we understand the importance of timely deliverables to the USACE's schedule and the public's expectations, and we will work more closely with the USACE to ensure that similar situations do not occur in the future.

Please contact Bonnie McLean at 266-1141 if you have any questions.

Sincerely,

Jane F. Whitsett for Bonnie McLean

Bonnie McLean
Project Manager

BM:nwd