



Many Voices Working for the Community

Oak Ridge Site Specific Advisory Board

December 15, 2005

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Mr. Steve Alexander
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Recommendation on the Natural Resources Damage Assessment Process

Dear Sirs:

On December 14, 2005, the Oak Ridge Site Specific Advisory Board approved the enclosed recommendation.

We respectfully request your full consideration and implementation of the recommendation in future applications of the Natural Resources Damage Assessment.

Sincerely,

A handwritten signature in cursive script that reads "Kerry Trammell".

Kerry Trammell
Chair, ORSSAB

cc: Dave Adler, DOE-ORO
Jason Darby, DOE-ORO
Doug Frost, DOE-HQ
Connie Jones, EPA
Steve McCracken, DOE-ORO
John Owsley, TDEC



Oak Ridge Site Specific Advisory Board Recommendation on the Natural Resources Damage Assessment Process

Background/Introduction

A Natural Resources Damage Assessment (NRDA) is a process where a trustee may pursue damages on behalf of the public for injury to natural resources from releases of hazardous substances.

Natural resource damages are measurable or adverse changes in the chemical or physical qualities of the resource. Damages are assessed on the basis of loss of quantity and quality of the natural resource and represent the dollar value or the economic loss resulting from the injury.

As a result of operations on the Oak Ridge Reservation (ORR), a significant amount of contaminated and hazardous waste was discharged into Lower Watts Bar (LWB) Lake. Because of the dangerous nature of the discharges, fishing and other recreational activities on the affected portion of LWB were prohibited. The injury to the natural resource, LWB, became obvious.

In 1992, a council of trustees for LWB was formed to include the State of Tennessee, the U.S. Fish and Wildlife Service, the Tennessee Valley Authority, and the Department of Energy (DOE).

In 1998, a study conducted on LWB concluded that the monetary loss of fishing and recreational activity was calculated to be \$4.8 to \$7.2 million.

In 2001, the State submitted a settlement proposal that included a conservation easement on the ORR. In 2002 an agreement in principle was signed for a conservation easement on Black Oak Ridge, and in 2005 the conservation easement was put into place. The easement includes 3,000 acres on Black Oak Ridge and McKinney Ridge on the west end of Oak Ridge. It will be managed by the State as a Wildlife Management Area and State Natural Area and will be available to the public for hiking, running, biking, bird watching, hunting, and other recreational uses.

A subsequent Natural Resource Valuation Study by Industrial Economics, Inc., was done to determine the value of damages in the Watts Bar Reservoir and value of credits for the Black Oak Ridge Conservation Easement. Study results found the human and ecological losses in the reservoir are approximately equal to similar gains in the conservation easement.

Discussion

On October 19, 2005, a combined meeting of the Oak Ridge Site Specific Advisory Board (ORSSAB) Stewardship and Environmental Management committees heard a presentation on NRDA and the establishment of the Black Oak Ridge Conservation Easement. During the presentation Dave Adler and Jason Darby of DOE said other potential natural resource damage

liabilities could include Lower East Fork Poplar Creek, ORR groundwater, White Oak Lake, and other undetermined areas where losses may result after remediation.

The Environmental Management Committee agreed that the establishment of the Black Oak Ridge Conservation Easement was an appropriate compensation for the loss of resources in LWB and suggested writing a letter commending the LWB trustees and encouraging the use of similar actions in the future. The committee also agreed that improvements in public outreach for the NRDA process should be implemented.

Recommendation

The process for damage determination and conservation credits evaluation by the Natural Resources Trustees (U.S. Fish and Wildlife, State of Tennessee, Tennessee Valley Authority, and DOE) was comprehensive and defensible, and forms a good foundation for future use. The end state for the protected area on Black Oak Ridge as a public recreation area (Wildlife Management and State Natural Area) represents an excellent balance for the residual environmental contamination in Lower Watts Bar Lake.

ORSSAB commends the Natural Resources Trustees on their use of this NRDA process to determine and address the resource damages from residual contamination. However, improvements in public involvement, communications, and public input consideration would make that process even better next time.

We highly recommend that as additional final Records of Decision are signed addressing the integral ecological risk assessment, that DOE and the NRDA trustees be especially vigilant in the application of the NRDA process.

We also recommend more extensive public involvement and input (e.g. local governments, the general public, and local stakeholder organizations) beyond what was done previously with the Black Oak Ridge Conservation Easement and Transfer NRDA process.