

Certified Mail, Return Receipt Requested # 7160 3901 9849 8054 6318

October 1, 2007

Ms. Jessica C. White
Coastal Protection and Restoration Division
NOAA/NOS/Office of Response and Restoration
1445 Ross Avenue
Dallas, TX 75202-2733

**Ref: Meeting Summary – Greens Bayou
Ecological Services Analyses – July 31, 2007
GB Biosciences (GBB) Corporation
Greens Bayou Plant, Houston Texas
Hazardous Waste Permit No: HW-50205
Compliance Plan No: CP-50205
TCEQ S.W.R. No: 30522
EPA I.D. No: TXD000836486**

Dear Ms. White,

The purpose of this correspondence is to provide the State of Texas and Federal Natural Resource Trustees and Texas Commission on Environmental Quality (TCEQ) an official copy of the summary of the jointly held technical meeting at the TCEQ offices in Austin on July 31, 2007.

The Trustees, TCEQ and representatives from GBB, ISK Magnetics, OCC/Tierra Solutions and their consultant team who attended the meeting reviewed the attached summary. All of the comments were incorporated in the summary. The summary was written by GBB consultant, Integral. Also enclosed is the attendee list for the July 31, 2007 meeting. The next scheduled meeting is August 8, 2007 in Austin.

GBB and the other stakeholders appreciate the opportunity to continue working with the Trustees and TCEQ in a cooperative manner to bring an acceptable and environmentally sound resolution relative to Greens Bayou.

Ms. Jessica C. White
NOAA
October 1, 2007

Please feel free to contact me at 713-450-8075 if you need additional information regarding the GB Plant Site or Greens Bayou.

Sincerely,

Martin M. Fontenot, Jr. Q.E.P.
GB Biosciences Corporation
Site Remediation Manager

Ms. Jessica C. White
NOAA
October 1, 2007

CC: Mr. Frank Rigsby
ISK Magnetics, Inc.
2237 Haden Road
Houston, TX 77015

Mr. David Rabbe
Tierra Solutions, Inc.
Two Tower Center Blvd., 10th Floor
East Brunswick, NJ 08816

Electronic Copies:
All Attendees

Ms. Jessica C. White
NOAA
October 1, 2007

BCC: Ken Rike
Herman Wright
Mike Maher
John Licata
Pat Stavola
Alan Nadel
Eddie Lewis
Chron
File: 658.41



MEETING SUMMARY GREENS BAYOU ECOLOGICAL SERVICES ANALYSIS JULY 31, 2007

INTRODUCTION

A meeting was held on July 31, 2007, at the Texas Commission on Environmental Quality (TCEQ) offices in Austin, Texas, to discuss technical approaches to be used for the ecological services analysis (ESA) to be conducted for Greens Bayou. Meeting attendees included representatives from GB Biosciences (GBB) and ISK Magnetics (ISKM) (the Companies); their consultant team; TCEQ, and state and federal natural resource trustees (Trustees). A list of attendees is included as Attachment 1.

At the meeting, several technical aspects of the ESA were to be discussed and finalized if possible, and concrete restoration alternatives evaluated. The meeting began with a review of the agenda (Attachment 2). No changes were proposed.

The Companies presented three items from the draft minutes of the June 5-6 meeting for discussion. The first was language added by the Trustees which indicated that Richard Seiler had stated that additional remediation would not be triggered by the Trustees as a result of post-dredge monitoring. Notes of Company attendees indicated that Richard Seiler's statement had been that additional compensation could be triggered by monitoring, and clarification was requested. Richard Seiler and other Trustees confirmed that the statement had been that additional remediation would not be triggered by the Trustees as a result of post-dredge monitoring.

The second item from the draft June 5-6 meeting minutes was an edit by the Trustees removing Judi Durda's statement that the Companies did not necessarily agree that the PCL value of 157 ppb total DDx was a threshold of actual effects. It was agreed that this statement would be retained in the minutes, with language to clarify that it was the view of the Companies and not that of the Trustees.

The third item from the draft June 5-6 minutes was an addition by the Trustees specifying some details of possible ESA calculation approaches. Notes of the Company representatives at the meeting did not contain all of these details. The Trustees confirmed that they had mentioned those details during the previous meeting, and those details will be retained in the minutes.

Following discussion of the three items from the draft June 5-6 minutes, Dreas Nielsen presented a checklist of information needed to carry out the ESA/NRDA, including both items already discussed and on which consensus had been reached, and on additional items still to be discussed and resolved (most of the latter items are on the agenda for this meeting). The

Trustees were asked to provide details of the calculations that they employed to derive the concentration-dependent service loss estimates that they had presented at the June meeting, and they agreed to provide this information.

During presentation of the checklist, Don Pitts commented that the calculation of service loss required the consideration of many spatial, chemical, and other factors, and that the Trustees had therefore made a worst-case estimate of restoration requirements. This worst-case estimate was based on an assumption of total service loss in the benthic habitat zone from 1981 to 2310 in areas impacted by contaminants and total service loss in the benthic habitat zone from 2008 to 2308 due to dredging. Compensation for this worst-case scenario would require the restoration of 10 acres of created marsh habitat. Because the compensation was based on an assumption of permanent loss of benthic services in the bayou, the potential for a reopener after settlement for benthic habitat in the footprint investigated would be highly unlikely, although a reopener provision is likely to be required by the DOJ in any final settlement agreement. The meeting discussion thereafter departed from the planned agenda to further discuss this worst-case scenario and likely costs for implementing the restoration of 10 acres of marsh. Richard Seiler stated that the Trustees' cost for marsh restoration at Swan Lake was approximately \$45,000 per acre.

After a separate break-out discussion, the Companies agreed to the proposal to restore 10 acres of marsh habitat as total compensation for benthic service losses in the bayou, and asked the Trustees to write up the proposal as an agreement to be finalized under the MOA. Jessica White agreed to write up the proposal as requested.

Don Pitts then presented the Trustees' assessment for habitat at the CDF site. The Trustees assumed that the prairie, woodlands, and wetlands within the CDF would return to Bermuda grass within two years of the cap being completed (estimated at 2012). The Trustees also assumed that the prairie and woodlands in the borrow area would return to Bermuda grass by 2008. Compensation for this loss was calculated to require restoration of 90 to 150 acres of bottomland hardwood habitat, depending on the habitat quality. The Trustees estimated costs for conservation easements of bottomland hardwood habitat in the Spring Creek area to be \$5,000 per acre. There was some discussion of assumptions and valuation approaches used for these estimates. The Companies agreed to consider this worst-case proposal, and asked Don Pitts to provide a copy of his spreadsheet containing the service loss calculations. Don Pitts agreed to provide the spreadsheet.

Marty Fontenot noted that the Companies had paid for Trustee costs through October of 2006, as invoiced, and asked when the next Trustee invoice would be submitted. Frank Rigsby suggested that the Trustees wait to submit the next invoice until after evaluation of the Trustees' settlement proposal was concluded.

**ATTACHMENT 1
LIST OF ATTENDEES**

ATTACHMENT 2 AGENDA

9:00 – 9:30

Summary of meeting objectives and review of agenda
Review of minutes from June 5 meeting
Check list of HEA data needs

9:30 – 10:00

Baseline services – modifications due to barges

- Review/discussion of barge area calculations
- Baseline habitat value (w/o barges – clarification of scaling to wetlands)
- Modification for barge impacts
 - Grounding
 - Shading

10:00 – 10:45

Baseline & recovery of services – Variations due to water depth

- Review/discussion of average water depth information
- Approach to defining depth-specific services at each polygon
 - Under baseline
 - During recovery (including definition of recovery)

10:45 – 11:00

Break

11:00 – 12:00

Variation in sediment accumulation rate with depth

- Review/discussion of re-calculated sediment accumulation rates Estimation of recovery times

12:00 – 1:00

Lunch

1:00 – 2:30

Sediment recovery modeling – Physical & Chemical (Companies)

- Overview of modeling approach
 - Basic model features
 - Sediment deposition rate
 - Other model parameters
- Discussion

2:30 – 3:15

Habitat values at the CDF (Trustees)

3:15 – 3:30

Break

3:30 – 4:45

Restoration alternatives (Trustees)

- Projects and approximate costs
- Value/service of restoration projects

4:45 – 5:00

Summary of action items