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Mr. Dave Long, Project Manager  
West Virginia Department of Environmental Protection  
Division of Land Restoration  
601 57<sup>th</sup> Street, SE  
Charleston, West Virginia 25304

ENVIRONMENT

Subject:  
Response to Review of the VRRP Application and Phase 1 Report  
Former Freedom Industries Facility  
1015 Barlow Drive  
Charleston, Kanawha County, West Virginia

Date:  
February 23, 2015

Dear Mr. Long:

Contact:  
Ira Buchanan

ARCADIS, on behalf of Freedom Industries (Mark Welch, CRO), respectfully submits this response to the letter dated February 6, 2015, from the West Virginia Department of Environmental Protection (WVDEP). Please find the following documents included:

Phone:  
276.322.3879 x23802

- Response to Review of the VRRP Application and Phase 1 Report
- Revised VRRP Application
- Revised Phase 1 Report

Email:  
[Ira.buchanan@arcadis-us.com](mailto:Ira.buchanan@arcadis-us.com)

Thank you for your consideration of these revisions. Please contact me or Jason Artrip with any questions.

Our ref:  
OH003003.0001

Sincerely,

ARCADIS U.S., Inc.

Ira Buchanan, L.R.S.  
Certified Project Manager 2

Imagine the result

Copies:

Mark Welch, Freedom  
Anne Blankenship, Babst Calland  
Patty Hickman, WVDEP



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ENVIRONMENT

Subject:

Response to Review of the VRRP Application and Phase 1 Report  
Former Freedom Industries Facility  
1015 Barlow Drive  
Charleston, Kanawha County, West Virginia

Date:  
February 13, 2015

Dear Mr. Long:

ARCADIS, on behalf of Freedom Industries (Mark Welch, CRO), has reviewed and respectfully submits the following responses to the letter dated February 6, 2015, from the West Virginia Department of Environmental Protection (WVDEP). The letter provided comments from WVDEP's review of the *VRRP Application and Phase 1 Report* submitted in January 2015. The VRRP Application and report documents associated with this submittal will be revised and submitted to the WVDEP pending the approval of these comment responses.

Contact:  
Ira Buchanan

Phone:  
276.322.3879 x23802

Email:  
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The comments and responses (with the corresponding change to the report) are as follows:

Our ref:  
OH003003.0001

### VRP Application

1. Section 2: Applicant name: (includes aliases or other names by which applicant is known or does business) – should Freedom Industries, Inc., Poca Blending, LLC be included here? Section 5 – Site Identification - lists “all USEPA and WVDEP identification numbers assigned to the site”, and Poca Blending, LLC is included in this section. It is recognized that Etowah River Terminal, LLC (ERT) was also an affiliated company –Etowah merged with and into Freedom Industries on 12/31/13, with Freedom as the surviving entity.
  - Freedom Industries, Inc. is the correct name for the site. Poca Blending, LLC should not be included as the Applicant Name as it refers to a different site formerly owned by Freedom Industries. Poca Blending LLC will also be removed from Section 5.

2. Section 2: Financial Capabilities - As demonstration of Freedom Industries' financial capability to successfully complete voluntary remediation and satisfy any contractual obligations incurred related to voluntary remediation, Freedom submitted the U.S. Bankruptcy Court Form 25C that was filed with the Court on October 28, 2014. Freedom subsequently provided a more recent Form 25C filed January 29, 2015. Upon review of this information, it is unclear to DEP that Freedom Industries has the financial capability to complete the voluntary remediation project. As reflected in the reports provided to DEP, expenses are depleting Freedom Industries' available resources rapidly. In fact, the Court recently entered an order on February 3, 2015 noting that Freedom Industries has insufficient funds available to pay requested administrative expense claims accruing over the course of its bankruptcy case to date. It is, therefore, not clear from the information provided that Freedom Industries has the financial capability to complete its voluntary remediation project. DEP requires additional information to demonstrate that Freedom Industries has, or has secured access to, financial resources that are adequate to successfully complete the voluntary remediation and satisfy any contractual obligations entered into by it that relate to the voluntary remediation.
- Freedom Industries, through its Chief Restructuring Officer ("CRO"), currently holds approximately \$800,000 in cash on hand. The CRO submits that this amount is more than sufficient for Freedom to satisfy environmental obligations it will have in the event that it is accepted into the VRP, provided, however, that acceptance into the VRP occurs within the near future. As costs to manage on-site conditions and to comply with DEP enforcement requirements ranges from \$40,000 to \$75,000 per week, it is imperative that acceptance into the VRP is not delayed so that remaining cash is not unnecessarily exhausted.

Freedom's bankruptcy court approved environmental consultant, ARCADIS, has evaluated remaining tasks and compliance requirements regarding completion of the VRP and estimates the total cost would be \$450,000. Cost estimates include: (1) \$150,000 for technical support for ongoing consent compliance; (2) \$75,000 for site assessment and reporting; (3) \$50,000 for risk assessment; (4) \$75,000 for risk assessment reporting; and (5) \$100,000 for final reporting. The estimates include time and material and facture contingencies based on six months of remediation work accomplish thus far.

Freedom is also working on a Liquidation Plan that includes attaching insurance and escrow funds to complete the bankruptcy process.

Additional funds available in the Liquidation Plan are estimated to exceed \$3,000,000. Freedom will request that funds be set aside in the Liquidation Plan for any long-term remediation costs. The availability of additional proceeds is predicated on approval and support of the bankruptcy court. Entrance into the VRP would greatly assist Freedom with gaining approval for a Liquidation Plan by showing plans to resolve spill concerns economically and for final disposition of the property. Without a process to complete the remediation and final disposition of the property the creditors and the bankruptcy court will have difficulty supporting a plan to emerge from the bankruptcy case.

The CRO believes that the \$800,000 cash on hand is more than sufficient to cover costs to complete the VRP, and a Liquidation Plan will greatly enhance the access to additional proceeds and funds needed for long term contingencies and continual maintenance operations.

3. Section 4: Site Description – GIS Data – This section requests accuracy of the Latitude and Longitude coordinates for the site – “map” is not an appropriate answer – please provide accuracy as requested.
  - The application will be revised to update the accuracy of the latitude and longitude.
4. Section 5: Existing Environmental Information – Site Assessment – The application asks if the site assessment is incomplete, then what additional site assessment work will be addressed in the Voluntary Remediation Agreement. Note that there were other contaminants of potential concern (COPC’s) associated with the site, other than MCHM and PPH (calcium chloride, ethylene glycol, glycerin, etc.). Also, additional information is needed with regard to substances stored in the AST’s, as noted in the Phase I Assessment (1010 Blend, RDC777). Additional COPC’s noted as a result of the review of the Phase I Assessment include PCB’s and lead. Assessment of potential migration of petroleum products mobilized by the HCHM/PPH spill will also be required.
  - COPCs will be updated in Application. MCHM and PPH (calcium chloride, ethylene glycol, glycerin, etc.) are reflective of the product that was contained in the ASTs. 1010 Blend, RDC777, etc. are specific names for the product.
5. Section 7: NAICS Code – The financial capability documents submitted list the NAICS code as 325199 – please revise as appropriate.

- The application will be revised to change the NAICS code to 324.
- 6. Attachment 3 - Figure 2: Based on historical groundwater gauging figures and the topographic map provided, the North arrow on Figure 2 is incorrect.
  - Figures have been updated.
- 7. Attachment 4 - Site Survey: Acreage for site listed on survey (4.548 acres) does not match acreage for the parcel descriptions in the property deed and attached tax map (4.87 acres).
  - When the site boundary survey was conducted, the cemetery was not included, however it is included as part of the deed and tax parcel information. Prior to negotiation of the Land Use Covenant, an appropriate description and/or parceling of the cemetery will be provided.
- 8. Attachment 5: Conceptual Site Model (CSM) Worksheet:
  - a. Section 3: Contaminants – MCHM and PPH should be listed as potential contaminants in surface water, sediments and air.
    - CSM Worksheet will be updated to correct COPCs.
  - b. Section 4: Interim Remedial Actions – Removal of storage tanks – hasn't this been completed?
    - Yes, all storage tanks have been removed.
  - c. Section 5: Exposure Media & Transport Pathways: Transport Mechanisms - Calcium Chloride is listed as a contaminant in this section, but not in Section 3. Please be sure that all contaminants of potential concern (COPC's – see comment #4 above) are listed in Sections 3 & 5 of the CSM Worksheet.
    - CSM Worksheet will be updated to correct COPCs.
  - d. Section 5: Exposure Media & Transport Pathways: Local Water Supplies – The distance to the WV American Water Company water intake on the Elk River from the site is listed as 17,000 feet (over 3 miles) – this is incorrect.
    - The correct distance should be approximately 7,000 feet.
  - e. Section 5: Exposure Media & Transport Pathways: Exposure Pathways – Is ingestion of plants & terrestrial animals a realistic exposure pathway?
    - While not realistic, it was agreed upon during a meeting with the WVDEP, that all exposure pathways could apply and should be checked.

## Phase I Site Assessment

A. Section 2.4 – Description of Structures, Roads and Other Improvements on the Site: This says nothing of the current buildings and roads on the property.

- Information to be added includes: Currently there are 2 buildings onsite which are used for office and storage. One building is the former and current office building, which houses offices, a small coal testing laboratory, and storage space. The building is composed of cinder block, and has a basement. The office building is located on the southern portion of the Site along with a corrugated metal building housing a garage type maintenance area and vehicular storage. There is a current fire suppression pump house, a former fire suppression pump house, a small electrical building, and a former “bag type” house onsite.
- The property has an asphalt driveway and parking area, and an asphalt truck loading pull through.

B. Section 2.5 – Current Uses of the Adjoining Properties: North: Do the potential previous structures show up on any of the historical maps/photos or city directories where they could be identified? East: Should be Barlow Drive, not Road; also, what is the Kanawha Airport Authority – is this a building? Property?

- North—Text to be added. Based on aerial photographs, the exact nature of the buildings north of the site cannot be determined.
- East---Text to be added: Barlow Road will be changed to Barlow Drive. The Kanawha Airport Authority should be revised to Yeager Airport. The property closest to the Site is the property where a main runway is located. No buildings are located immediately upslope from the Site.

C. Section 3.2 – Activity & Use Limitations: The WVDEP does not issue Land Use Covenants (LUC’s); LUC’s are recorded with the property deed. Pennzoil Quaker State (PQS) is a holder of the covenant and was the VRP applicant. See also Section 5.1.1.

- Text to be changed: Strike “The WVDEP issued a Land Use Covenant in December of 2004.”
- Add: A Land Use Covenant was entered into by Pennzoil Quaker State and was recorded with the property deed in December 2004.

D. Section 3.6 – 1st paragraph: The chemicals previously stored in the AST's by PQS should be provided; 2nd paragraph: The January 2014 release of MCHM and PPH into the soil, groundwater, and surface waters at the Site may lead to residual concentrations of MCHM and PPH within the soil, groundwater and surface water requiring additional remediation.

- List of chemicals stored in the ASTs by Pennzoil Quaker State will be added.
- Add text "groundwater and surface water" after soil in 2<sup>nd</sup> paragraph.

E. Section 5.1.1 – LUC was not issued by WVDEP... (see comment C above)

- Text to be changed: Strike "A Land Use Covenant, issued by the State of West Virginia DEP is in effect at the Site."
- Add: A Land Use Covenant was entered into by Pennzoil Quaker State and was recorded with the property deed in December 2004.

F. Section 7.2.1 – There is no mention of whether any confirmatory sampling was completed during/after the MCHM impacted soil removal.

- Text to be added to Section 7.2.1 Paragraph 8: When impacted soils are removed, confirmatory samples are collected.

G. Section 7.2.9 – Unidentified Substance Containers: Where are these containers located? Are they sound or leaking? What is the plan for these containers?

- Text to be added: The unidentified containers were all observed to be in good condition. The containers were located in the basement of the office building and in the maintenance building garage. The containers will be gathered, profiled and disposed of properly.

H. Section 7.2.10 – PCB's: Several transformers were previously stored on-site (northern driveway). Text states these were removed just prior to AST demolition. Therefore there is the potential for these transformers to have leaked after the existing Certificate of Completion was issued. PCB's are a contaminant of potential concern for the site.

- PCBs will be added as a COPC for the site.

I. Section 7.2.16 - Wells: Currently, GW is monitored monthly only for the substances contained in the AST's at the time of the release. If accepted into the VRP, future work plans will need to include sampling for petroleum COC's associated with the previous petroleum storage, which may have been mobilized by the MCHM/PPH release.

- The application will be revised to include future sampling for petroleum COPCs associated with the previous petroleum storage.

J. Section 7.2.20 – Drains & Sumps: Discharge area for floor drains in the office building and the garage/maintenance building is unknown. This needs to be determined.

- Discharge for the floor drains in the office and garage area are unknown, but can be added to the site investigation activities.

K. Section 7.2.22 – Asbestos: The potential for asbestos in buildings exists, but an asbestos survey has not been completed. If buildings are to be demolished, an asbestos survey will be required.

- If any existing buildings are demolished an asbestos survey will be completed prior to demolition.

L. Section 7.2.23 – Lead-Based Paint: The text states lead-based paint was found as a result of paint chip analysis during tank demolition. Therefore, lead is a COPC for the site.

- Lead will be added as a COPC for the site.

M. Section 9.1 – Recognized Environmental Conditions (REC's): WVDEP believes the areas of the fuel and oil loading racks associated with the AST's (see section 7.2.20, 2nd paragraph), barge dock (see Section 7.2.1, 2nd paragraph), and oil pit in the large truck garage (see Photo #10 – probably should be mentioned in Section 7.2.11) represent additional REC's and bear further investigation.

- The areas of the fuel and oil loading racks associated with the AST's (see section 7.2.20, 2nd paragraph), --Area will be added as a REC
- Barge dock (see Section 7.2.1, 2nd paragraph),---Area will be added as a REC

- Oil pit in the large truck garage (see Photo #10 – probably should be mentioned in Section 7.2.11) –this is called out as a hydraulic lift in Section 9.1 (Photo #10) and is mentioned as a REC.

N. Please be sure that changes made throughout the document are reflected in the Executive Summary and Section 9 – Findings.

*Agreed upon changes will be made throughout the Phase I Report.*

Thank you for your consideration of these alterations. Please contact Ira Buchanan or Jason Artrip with any questions concerning these modifications.

Sincerely,  
ARCADIS

A handwritten signature in blue ink, appearing to read "Ira Buchanan".

Ira Buchanan, L.R.S.  
Certified Project Manager 2

A handwritten signature in blue ink, appearing to read "Jason Artrip".

Jason Artrip  
Certified Project Manager

Copies:

Mark Welch, Freedom  
Anne Blankenship, Babst Calland  
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