

Exhibit 2: Bellingham Herald article 3/31/17.

BY KIE RELYEA
FERNDALE

The Environmental Protection Agency is leading an emergency cleanup of an abandoned biofuels processing plant northwest of Ferndale after regulators found hazardous substances leaking from containers.

[TreOil Industries Biorefinery, 4242 Aldergrove Road](#), has been a concern for regulators since the 1980s. It has been on the state Department of Ecology's list of hazardous sites in Whatcom County since 2001 and attempts to get business and property owner Jagroop S. Gill, of Delta, B.C., to clean up the site, including a concerted effort since 2015, have been unsuccessful, officials said.

The emergency cleanup could cost \$1 million.

Brooks Stanfield, EPA on-scene coordinator, described the current effort as "Stop. Contain. Remove."

EPA, Ecology, and Whatcom County Public Health Department are working on the project. Ecology asked EPA to do the emergency cleanup.

TreOil Industries, located on 34 acres, is no longer in operation. In the past, it was used to process distilled tall oil, as a biodiesel refinery and for other small-scale miscellaneous industrial operations, according to EPA.

Tall oil is a byproduct of kraft processes – turning wood into wood pulp to make paper – and is a mixture of primarily acidic compounds found in pine trees, the EPA said. It is a component of rubber products, inks, adhesives and is used as an emulsifier for asphalt.

Tall oil is toxic to fish and can harm birds, the EPA said.

Regulators believe the site – most of the operation was on 4 acres – has been sitting idle and basically unmonitored for about a decade.

"It was in bad, bad shape," EPA spokeswoman Suzanne Skadowski said Friday. EPA officials said they found 50 above-ground storage tanks, about 30,000 gallons of liquid tall oil and 165,000 gallons of solidified tall oil. There also were 700 containers of hazardous materials – liquids, solids and gases, including those that were corrosive and flammable. Many of the containers were in poor condition.

"It's like a ticking time bomb. At some point a container that is not maintained will fail," Ecology spokesman Larry Altose said.

Regulators also found lead, asbestos and 7,000 gallons of glycerin crude, which is a byproduct of biodiesel production.

Thirty-nine above-ground storage tanks didn't have secondary containment, which look like empty cement pools around tanks, as an added layer of protection should what's inside leak, they said.

"We've been surprised by the variety and volume of what we have found," Stanfield said Friday while at the Aldergrove site, which is near wetlands.

They found chemical containers that were mislabeled and stored improperly, and a site with unsecured buildings and unlocked tanks that were run-down and rusted.

Regulators were concerned the chemicals could eventually flow into a Strait of Georgia about two miles away via a ditch that goes through the site and connects with a creek that empties into the strait. Recent wet weather heightened that fear.

"It's a very good thing that the EPA is out there," said Jeff Hegedus, environmental health supervisor for the Whatcom County Health Department. "There's runoff everywhere and it's close to the Sound."

Gill, the property and owner of TreOil Industries, said tall oil wasn't hazardous and that, essentially, the trees and greenery surrounding the site showed no damage had been done to date.

"By and large, I think they're doing their duties but they should maybe do a little bit more homework," he said of regulators. "We're little people. We tried to create a new business there. It didn't work."

He said he didn't know where the asbestos came from, noting he rented the site to a number of people who brought junk to it.

EPA said the contaminants will be removed and shipped to a licensed facility in Kent for disposal. The tall oil will be sent to facilities for recycling, likely into fuel oil.

After the EPA cleanup, regulators will try to determine what may have ended up in the water and the soil, and discuss fines.

"This is a good start," Stanfield said. "We're hoping we're setting the stage for something positive."

Read more here:

<http://www.bellinghamherald.com/news/local/article142102174.html>