Canola Crushing and Biodiesel Facility
Odessa, WA

Summary
Transmissis Columbia Plateau (TCP) leased and operated a canola crushing and small biodiesel processing plant in Odessa, WA for 6 months from December 2013 through June 2014. At all times during operations, TCP complied with all federal and state environmental laws, and maintained a clean and safe work site. TCP was never accused of, or charged with, any violation of environmental law.

Waterside Energy was formed in late 2014, subsequent to TCP discontinuing operations. Waterside did not own and had no involvement with TCP. Two of Waterside’s officers served on the TCP parent company board in a capacity unrelated to operations. Neither Waterside, nor any of its officers or principals, have ever been involved in any violations of federal or state environmental laws.

Odessa Facility Background-
In 2007 the Odessa Public Development Authority (OPDA), in partnership with 2 local farm cooperatives, acquired a 5.4-acre site with an existing 30,000 square foot grain warehouse. The OPDA purchased the site and leased it to a new entity formed by the cooperatives to crush 8 tons per day of canola, and to produce bio-diesel.

The cooperatives operated the site from 2007 into 2011 at which time a new entity took over the plant and operated it until mid-2013.

OPDA Odessa site. Green shaded area, 1.4 acres, was leased by TCP from December 2013 through June 2014.
TCP Involvement with Odessa Plant
In November 2013, Transmessis Columbia Plateau (TCP), a newly formed entity, leased 1.4 acres of the 5.4-acre OPDA site and the plant and equipment, without assuming any liability for pre-existing conditions of the plant, including existing environmental deficiencies or conditions.

At the time of possession TCP found significant environmental clean-up required to prepare the site for operations. TCP spent over $75,000 cleaning the site and disposing of waste and hazardous materials left behind by the prior operators. This clean-up included areas of the OPDA site not leased by TCP.

TCP operated the plant for 5 months and ceased production operations in June 2014 due to changes in market condition, and plant performance issues related to fraudulent inducement by the OPDA and the prior operators who brought TCP into the project.

In July 2014 TCP notified OPDA that TCP would not continue the lease of the plant and site. In response to TCPs notice, OPDA notified TCP they were cancelling the facility lease, effective July 2014. At the time of lease termination all rent was fully paid and the OPDA held a six-month security deposit, which they retained. At lease termination no additional rent was due or payable by TCP to the OPDA. OPDA claims to the contrary were false, and not based on any contract.

At all times after July 2014, the care and maintenance of the Odessa plant was, and remained, the responsibility of the OPDA. TCP was not involved with the plant after July 2014.

Odessa Plant Condition in July 2014
At the time TCP vacated the Odessa plant they left a clean and properly maintained facility with all chemicals, supplies and materials correctly stored. TCPs bank lender owned all remaining on-site inventory of canola, bio-diesel, chemicals and supplies. At the lenders request, TCP arranged for the sale and shipment of all remaining bio-diesel at the plant. TCP notified the OPDA and the bank that it would also assist in the sale, removal and disposal of the remaining chemicals used, or resulting from bio-diesel production. This included glycerin, methanol and small quantities of other chemical and acids. The bank did not take TCP up on its offer.

As of July 2014, when TCPs lease ended and they vacated the site, there were no leaks of any liquids from any containers inside the plant. After July 2014 the care and handling of all materials became the responsibility of the plants owner, the OPDA, and the bank, who remained the owner and control authority for the inventories on site.

Clean-up and the EPA
From July 2014 through March 2015 the OPDA was in control of the plant and had full responsibility for its care and maintenance. In March 2015 the Washington State Department of Ecology (“Ecology”) visited the plant and found containers inside the plant holding supplies and chemicals not properly maintained, with leaking valves and seals. See memo from Ecology inspector attached as Exhibit A.
These spills occurred due to failure by the OPDA to maintain seals on liquid tanks at the plant that they owned and controlled, and failure of the bank to dispose of the inventories they owned and controlled. Ecology notified the EPA of their findings at the plant.

In March 2015, an EPA response team visited the site and began clean-up of the leaks from the non-maintained containers inside the plant. as well as clean-up of adjacent OPDA lands never leased or used by TCP. TCP had no knowledge of the EPAs visits to the plant or the spills they came to investigate until April 2015 when the OPDA notified TCPs former President of the EPA action.

In April 2015, the former TCP President talked with EPA representatives and discussed the following concerning the condition of facility prior to and during TCPs involvement with the Odessa plant:

1. **Facility leaks and containers around the site** – Reviewed facility and container pictures taken by TCP prior to its lease of the plant showing the poor condition of the plant and surrounding land in November 2013.
   a. **Containers outside the facility** - All the containers outside the facility were from previous operators and not on TCP leased land. Contents of the containers there at time of TCP taking possession was reviewed and it was revealed that TCP had cleaned up approximately 2/3 of these containers even though they were not on leased land, or the responsibility of TCP.
   b. **Facility leaks inside the building** – The leaks found by the EPA inside the facility in March 2015 were the result of containers and tanks not being maintained by the OPDA after the TCPs lease terminated in July 2014. TCP notified the EPA that similar clean-up of the facility was required when TCP leased the premises. TCP shared photos with the EPA of the facility condition at time of lease in December 2013, and at end of lease in July 2014, for comparison of condition.

2. EPA representatives stated they had removed all containers outside the facility and surrounding property.

**TCP never received a complaint or violation notice from the EPA.**

**Waterside Relationship with TCP**

At no time did Waterside have any ownership in TCP, or any affiliate of TCP, nor was Waterside involved in any aspect of TCP operations. Waterside’s current Chairman, Chris Efird, and CEO, Lou Soumas, both served on the Board of TCP’s parent company, Transmessis Renewable Energy, Inc. for the sole purpose of potential future bio-diesel industry consolidation activities.

Waterside has never had contact with any regulatory agency concerning environmental issues related to the Odessa Washington site, or on any site or project which Waterside’s principals have been connected with.
Sibley, Michael
From: Fowlow, Jeffrey
Sent: Thursday, March 12, 2015 10:58 PM
To: Sibley, Michael
Subject: FW: Abandoned Biodiesel Plant-Odessa, WA 3/10/15

I need to include some other information about the three tanks located outside and west of the building. I obtained this information from [name redacted] by phone on 3/6/2015. [name redacted] was the who was fired along with other employees in June 2015. You should see the tanks in the 3/3/15 PhotoLog I had sent to you. The following information is what knows of what were in the tank as of June 2015. We don’t know if Transmessis removed any of the chemicals from these three tanks after June 2014.

North Tank-Holds @ 3-10,000 gallons methanol
Middle Tank-Holds glycerin. (Note that during the 3/3/15 inspection I observed the float guage to be @ 6 foot full)
South Tank-Holds @ 3,000-5,000 gallons methylate

From: French, Gerald (ECY)
Sent: Tuesday, March 10, 2015 2:23 PM
To: Liverman, Earl
Cc: Fowlow.jeffrey@epamail.epa.gov; Weigel.greg@epamail.epa.gov
Subject: Abandoned Biodiesel Plant-Odessa, WA 3/10/15

Earl,

Today I inspected the biodiesel facility located at 206 West Railroad, Odessa, WA. Serious issues with chemical waste management were observed inside the facility. Stacey Rasmussen from the Odessa Public Development Authority (OPDA) was present during the inspection. Ms. Rasmussen had keys to the building and allowed Ecology to inspect inside of the building. Ms. Rasmussen repeated many times that she has no knowledge or technical expertise of chemistry and hazardous material handling. She said that the OPDA has funds of @ several thousand dollars and cannot afford to hire a contractor to properly handle the chemical wastes. I advised Ms. Rasmussen to have the local fire marshall in Lincoln County conduct a fire code inspection of the facility.
The building and property is owned by OPDA. The prior operator is known as Transmessis Columbia Plateau LLC. Transmessis fired all of the employees and abandoned the building @ June 2014. Transmessis abandoned various chemicals in buckets, drums, totes, supersacks, tanks inside and outside of the building and also laboratory chemicals inside of the building. Problems found inside of the building:

- Tote of 30% citric acid and 50% sodium hydroxide stored next to each other. Valves on both totes are corroded and leaking. White salts formed on floor near the two leaking totes.

Page 2 of 37 - Jan. 4, 2016

- Sulfuric acid leaking from a tote in middle of facility. Valve on bottom of tote is crusted with salts and leaking into kitty litter. Pool of liquid material flowing from leaking tote next to a storage tank. Base of tank is beginning to corrode. Contents of tank are unknown.
- Valves on storage tanks holding unknown liquids are corroding. Drip leaks from valves onto concrete floor. Crystals formed around the valves.
- Blue paint is blistered and peeling from certain tanks or columns. These tanks might be holding methanol. Methanol potentially eroding away gaskets and flanges causing leakage and blistered and peeled paint. Leaking onto concrete floor and flowing south.
- Liquids leaking from various tanks and valves flowing to south wall and footing. Insulation on walls near floor and footing are deteriorating.
- One 55-gallon drum marked as holding ETHANOX labeled as Class 3, Class 8 and Marine Pollutant. Located on west end of building.
- Three 55-gallon drums labeled as Class 8. Located on west end of building.
- One jug marked as holding 2 propanol. Located on west end of building.
- Two cabinets holding 1 quart sized bottles of biodiesel samples. Most of bottles marked with a June 2014 date or later. One bottle marked with a 10-9-14 date.
- Three totes side by side were open. One tote appeared to be holding orange colored micro-sized plastic beads contaminated with methylate. Beads used to polish the biodiesel and remove contaminants. Other two totes appeared to be holding fatty acids.
- 23 totes holding unknown brown colored materials. Ms. Rasmussen said that the totes hold soap stock and some sort of contaminated vegetable oil. Each tote is labeled as Class 3 and Class 8 and marked as UN1289.
- Supersack containers were open. Number of supersacks not determined but between 5-10. Appeared to be holding orange colored micro-sized plastic beads contaminated with methylate. Liquids were leaking from the sacks onto the floor.
- Two of what appeared to be stainless steel pressure tanks had white crystals leaking from it. Might be methylate liquid that had crystallized when exposed to air.
- Paper sacks marked as lime setting on pallet. Some sacks ripped open and had hydrated into a yellow crust.
- Laboratory room-Jugs and bottles marked as holding hydrochloric acid and potassium hydroxide and sodium hydroxide stored next to each other inside of flammable cabinet. Heptane and methanol also stored in cabinet. Some of the jugs and bottles have shelf life dates of March and April 2015.
- Laboratory room-A flame hood looked to have had a test experiment in process when the plant shut down. Erlenmeyer flask on a stirrer holding unknown liquid under hood. White crystals on flask. Calendar on wall shows June 2014 which appears to the time when the lab was last used.
· Under the flame hood various solvents in bottles, metal cans and jugs are stored. Chloroform and acetone marked on some of the containers.
· All of the tanks that held biodiesel appeared to be empty. Appears that Transmessis sold the biodiesel product but abandoned the chemicals.
I had previously sent an e-mail dated March 4, 2015 that described problems outside of the building.
Other problems observed on March 10, 2015 outside of the building:
· The end of a 4-6 inch diameter pipe and valve leading out of one tank marked as “Sodium Methoxide Inbound” had white crystals formed around it. A smaller 1 inch diameter pipe had white crystal formed around it.

Please contact me if you have any questions or need further clarification.
I will need to contact Ms. Rasmussen from OPDA to coordinate a time and day to have her open the facility to allow EPA Emergency Response inspect the facility. Let me know at your earliest convenience of when you plan to inspect the 206 West Railroad facility in Odessa, WA.

Jerry French
Department of Ecology, Eastern Regional Office
Hazardous Waste & Toxics Reduction Program
4601 North Monroe Street
Spokane, WA 99205-1295
(509) 329-3489 gefr461@ecy.wa.gov
1. Introduction

1.1 Background

1.1.1 Incident Category

CERCLA Incident Category: Inactive Production Facility

1.1.2 Site Description

The site encompasses approximately 4 acres and consists of a large facility building and exterior tanks. The site is a former biodiesel production facility that was abandoned in June, 2014. It is owned by Odessa Public Development Authority (ODPA) and was leased to Transmessis Columbia Plateau, Inc for their biodiesel production operations. The building is in an industrial area, but is located in the town of Odessa, and commercial and residential areas are nearby (<1000ft). Crab Creek is located to the south and west of the site. The interior of the building contains several large process tanks and chemical totes. Several tanks and totes are leaking and in poor condition. Several incompatibles are also stored together.

1.1.2.1 Location

The site is located at 206 W Railroad Street, Odessa WA (47.334154, -118.695334).

1.1.2.2 Description of Threat

There are several chemicals on site that were initially involved in various processes of biodiesel production. Known chemicals at this time are (methanol, sodium methylate, glycerin, sulfuric acid, sodium hydroxide. There are large quantities of methanol (35,000 gal), sodium methylate (1000 gal) and glycerin (4,000 gal) in large tanks. Totes of sulfuric acid were found leaking and releasing to the floor of the facility. Valves on storage tanks appear to be corroding and have crystals forming.

1.1.3 Preliminary Removal Assessment/Removal Site Inspection Results

On March 3, 2015, Jerry French, with the Department of Ecology, conducted a visual inspection of the exterior of the property. Due to his findings, he requested EPA assistance in touring the facility. Mr. French performed an inspection of the interior of the building on March 10, 2015. EPA, START and ERRS assessed the facility on March 12, 2015. The combined assessments found ~1000 chemical containers ranging from large Above-ground Storage Tanks (AST) to totes and buckets in various states of integrity. It was determined that EPA, START and ERRS would mobilize on 3/17/2015 to stabilize and mitigate the hazards at the site.

2. Current Activities

2.1 Operations Section

2.1.1 Narrative

EPA, START and ERRS arrived on site 3/17/2015 to receive the keys to the facility and began setting up for work operations. ERRS has contracted with Stericycle for disposal of the chemicals.

ERRS completed opening tanks and assessing the contents. START provided sampling and HazCat support to assist in disposal characterization. Stericycle Lab Packed loose chemicals found in the lab and around the facility. Product samples were taken to support enforcement activities by START. Whole Energy contracted to recycle some of the remaining products.
To date, 16 trucks have left the site with chemicals/wastes. EPA, START and ERRS demobilized from the site on 3/27/2015

2.1.2 Response Actions to Date

03/17/15
Mobilization of EPA, START & ERRS to site for planning and preparation for site activities.

03/18/15
ERRS began removal of lab pack chemicals and assessment of large tanks for quantity/contents. START performed Hazard Categorization analysis on unknown wastes. START generated a site specific sampling plan to collect samples that will be sent to the laboratory for analysis.

03/19/25
ERRS bulks and stages waste streams by profile. ERRS continues to assist START in accessing tanks for sampling. START continues to inventory and perform hazard categorization on samples to assist in disposal. Seventeen samples are collected to be sent to laboratory.

03/20/15
START continues to inventory and perform hazard categorization on samples to assist in disposal. ERRS continues to bulk and stage wastes and prepare the site for future activities. A truckload containing 88 drums of waste resin from the ion exchange columns are transported off site to the Burlington Environmental Facility in Kent, WA.

03/21/15
START continues to inventory and perform hazard categorization on samples to assist in disposal. The majority of hazard categorization support concludes. ERRS selectively drains tanks and bulks like wastes. Glycerine is transported off site to a Whole Energy facility in Mt. Vernon, WA via tanker truck.

03/22/15
START continues to inventory containers and document site conditions. ERRS assists in pumping waste into two disposal trucks that arrived on site. Vegetable waste oil is pulled from the totes. Biodiesel waste is pulled from bottoms of the biodiesel tanks. The two Stericycle tanker trucks containing waste from site depart to a Burlington Environmental Facility in Tacoma, WA. Solid waste remaining in several totes is solidified and staged. The totes are crushed and placed in a rolloff container.

03/23/2015
Samples collected by START were prepared for shipment. ERRS vacuumed biodiesel waste bottoms from a processing tanks and vegetable oil from multiple totes. That vacuum truck departed the site mid-day. ERRS began to solidify the vegetable oil sludge that remained in many of the totes after the liquid vegetable oil had been vacuumed out. Any good metal tote frames were staged on site for possible re-use. Damaged metal tote frames were crushed and placed in a rolloff container for disposal.

03/24/2015
Two truckloads of 55 and 65 gallon overpack drums filled with multiple wastes streams were shipped off-site for disposal. One rolloff with general facility debris and one rolloff of solidified vegetable oil sludge departed the site for disposal. One semi vacuum truck loaded with vegetable oil from multiple tanks and totes also departed site. Later in the day, ERRS continued to solidify the vegetable oil sludge that remained in many of the totes after the liquid vegetable oil had been vacuumed out. Any good metal tote frames were staged on site for possible re-use. Damaged metal tote frames were crushed and placed in a rolloff container for disposal.

03/25/2015
Three tanker trucks for WholeEnergy arrived on-site. Truck #1 was loaded with methanol to be reused. Trucks #2 and #3 were loading with glycerin to be taken to a digester to be re-cycled. ERRS continued to solidify vegetable oil sludge from multiple totes and staged good metal frames from some of totes for possible re-use. Damaged metal tote frames were placed in a rolloff for disposal. One scrap metal rolloff and one solidified vegetable oil rolloff were picked up for off-site disposal.

03/26/2015
One vacuum tanker truck removed waste methanol from two on-site tanks for off-site disposal. ERRS completed the solidification of vegetable oil sludge from the remaining totes and one outside tank. The totes were managed as in previous days. ERRS started preparations for departing from the site tomorrow.

03/27/2015
Two vacuum tanker trucks arrived on site to collect the remaining glycerin from tanks inside and outside the facility. All personnel departed the site.

2.1.3 Enforcement Activities, Identity of Potentially Responsible Parties (PRPs)

TransMessis Columbia Plateau, LLC is the potentially responsible party. Samples were collected to determine the RCRA hazardous waste profile with split samples being sent to a laboratory in Denver, CO. Seventeen samples were collected on 3/19/15. An EPA inspector was on site on 3/19/15 and 3/20/15.

2.1.4 Progress Metrics

ERRS lab packed loose chemicals and overpacked drums of solid waste. Chemicals were bulked based on hazard categorization results and compatibility. Chemicals were segregated into waste streams and staged to be removed as trucks are available. The following table represents the waste chemicals shipped from the site.

<table>
<thead>
<tr>
<th>Date</th>
<th>Waste Stream</th>
<th>Medium</th>
<th>Quantity</th>
<th>Weight</th>
<th>Manifest #</th>
<th>Carrier</th>
<th>Facility</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/20/2015</td>
<td>UN3175 Waste Solids containing Flammable Liquid, N.O.S. (Methanol) 4.1 PGII</td>
<td>Drums</td>
<td>88</td>
<td>26,400 lbs</td>
<td>000120022 DAT</td>
<td>Stericycle</td>
<td>Burlington Environmental</td>
<td>Kent, WA</td>
</tr>
<tr>
<td>3/21/2015</td>
<td>Glycerin</td>
<td>Tanker Truck</td>
<td></td>
<td>31,100 lbs</td>
<td>WTI# 15-6287</td>
<td>WillTran Inc,</td>
<td>Whole Energy</td>
<td>Mt Vernon,</td>
</tr>
<tr>
<td>Date</td>
<td>Description</td>
<td>Quantity</td>
<td>Weight</td>
<td>DAT</td>
<td>Disposal Location</td>
<td>Notes</td>
<td></td>
<td></td>
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<tr>
<td>------------</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>3/22/2015</td>
<td>Material not Regulated by DOT Washington State Dangerous Waste Only, Toxic (Vegetable Oil)</td>
<td>Tanker Truck</td>
<td>4820 gal</td>
<td>000120014 DAT</td>
<td>Stericycle Burlington Environmental</td>
<td>Tacoma, WA</td>
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<td></td>
</tr>
<tr>
<td>3/24/2015</td>
<td>Material not Regulated by DOT Washington State Dangerous Waste Only, Toxic (Vegetable Oil)</td>
<td>Tanker Truck</td>
<td>2581 gal</td>
<td>000120035 DAT</td>
<td>Stericycle Burlington Environmental</td>
<td>Tacoma, WA</td>
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<td></td>
</tr>
<tr>
<td>3/24/2015</td>
<td>Material not Regulated by DOT Washington State Dangerous Waste Only, Toxic (Facility Debris)</td>
<td>Rolloff Container</td>
<td>1 Tons</td>
<td>000120047 DAT</td>
<td>Stericycle Burlington Environmental</td>
<td>Tacoma, WA</td>
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<tr>
<td>3/24/2015</td>
<td>Material not Regulated by DOT Washington State Dangerous Waste Only, Toxic (Soap Stock)</td>
<td>Rolloff Container</td>
<td>3860 lbs</td>
<td>000120048 DAT</td>
<td>Stericycle Burlington Environmental</td>
<td>Tacoma, WA</td>
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<tr>
<td>3/24/2015</td>
<td>UN1719 Waste Caustic Alkali Liquids, N.O.S. 8 PGII (Sodium Hydroxide, Potassium Hydroxide)</td>
<td>Drums</td>
<td>2</td>
<td>360 lbs</td>
<td>000120049 DAT</td>
<td>Stericycle Burlington Environmental</td>
<td>Kent, WA</td>
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<td>3/24/2015</td>
<td>UN1760 Waste Corrosive Liquids, N.O.S. 8 PGII (Hydrochloric Acid, Sulfuric Acid)</td>
<td>Drums</td>
<td>1</td>
<td>250 lbs</td>
<td>000120049 DAT</td>
<td>Stericycle Burlington Environmental</td>
<td>Kent, WA</td>
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<tr>
<td>3/24/2015</td>
<td>UN1993 Waste Flammable Liquids, N.O.S. 3 PGII</td>
<td>Drums</td>
<td>2</td>
<td>450 lbs</td>
<td>000120049 DAT</td>
<td>Stericycle Burlington Environmental</td>
<td>Kent, WA</td>
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<tr>
<td>3/24/2015</td>
<td>UN1888 Waste Chloroform</td>
<td>Drums</td>
<td>1</td>
<td>150 lbs</td>
<td>000120049 DAT</td>
<td>Stericycle Burlington Environmental</td>
<td>Kent, WA</td>
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<tr>
<td>3/24/2015</td>
<td>UN1950 Waste Aerosols, (Limited Quantity) 2.1</td>
<td>Drums</td>
<td>2</td>
<td>25 lbs</td>
<td>000120049 DAT</td>
<td>Stericycle Burlington Environmental</td>
<td>Kent, WA</td>
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<tr>
<td>3/24/2015</td>
<td>UN3139 Waste Oxidizing Liquid, N.O.S. 5.1 PGII</td>
<td>Drums</td>
<td>1</td>
<td>150 lbs</td>
<td>000120049 DAT</td>
<td>Stericycle Burlington Environmental</td>
<td>Kent, WA</td>
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</tr>
<tr>
<td>3/24/2015</td>
<td>UN2920 Waste Corrosive Liquids, Flammable, NOS 8 (3) PGII (Potassium methylate, solution in methanol) RQ(D001=100)</td>
<td>Drums</td>
<td>1</td>
<td>20 lbs</td>
<td>000120049 DAT</td>
<td>Stericycle Burlington Environmental</td>
<td>Kent, WA</td>
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<tr>
<td>3/24/2015</td>
<td>UN1263 Waste Paint Related Material 3 PGII RQ(D001=100)</td>
<td>Drums</td>
<td>9</td>
<td>2500 lbs</td>
<td>000120049 DAT</td>
<td>Stericycle Burlington Environmental</td>
<td>Kent, WA</td>
<td></td>
</tr>
<tr>
<td>3/24/2015</td>
<td>UN1760 Waste Corrosive Liquids, N.O.S. 8 PGII (Hydrochloric Acid, Phosphoric Acid) 8 PGII RQ(D002=100)</td>
<td>Drums</td>
<td>2</td>
<td>200 lbs</td>
<td>000120049 DAT</td>
<td>Stericycle Burlington Environmental</td>
<td>Kent, WA</td>
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<tr>
<td>3/24/2015</td>
<td>UN1289 Waste Sodium methylate solutions 3 (8) PGII</td>
<td>Tote</td>
<td>3</td>
<td>6600 lbs</td>
<td>000120050 DAT</td>
<td>Stericycle Burlington Environmental</td>
<td>Kent, WA</td>
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<tr>
<td>3/24/2015</td>
<td>UN1824 Waste Sodium Hydroxide Solution 8 PGII</td>
<td>Tote</td>
<td>4</td>
<td>8800 lbs</td>
<td>000120050 DAT</td>
<td>Stericycle Burlington Environmental</td>
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<td>3/24/2015</td>
<td>UN1830 Waste Sulfuric Acid 8 PGII</td>
<td>Tote</td>
<td>2</td>
<td>4400 lbs</td>
<td>000120050 DAT</td>
<td>Stericycle Burlington Environmental</td>
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<td>3/24/2015</td>
<td>Material not Regulated by DOT Washington State Dangerous Waste Only, Toxic</td>
<td>Drums</td>
<td>3</td>
<td>750 lbs</td>
<td>000120050 DAT</td>
<td>Stericycle Burlington Environmental</td>
<td>Kent, WA</td>
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<tr>
<td>3/24/2015</td>
<td>UN1760 Corrosive Liquids, NOS (Ethanox) 8 PGII</td>
<td>Drums</td>
<td>5</td>
<td>1500 lbs</td>
<td>000120050 DAT</td>
<td>Stericycle Burlington Environmental</td>
<td>Kent, WA</td>
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<tr>
<td>3/24/2015</td>
<td>UN1325 Flammable Solids, Organic, NOS (Carbon) 4.1 PGII</td>
<td>Drums</td>
<td>2</td>
<td>800 lbs</td>
<td>000120050 DAT</td>
<td>Stericycle Burlington Environmental</td>
<td>Kent, WA</td>
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<tr>
<td>3/24/2015</td>
<td>UN3175 Waste Solids containing Flammable Liquid, N.O.S. (Methanol) 4.1 PGII</td>
<td>Drums</td>
<td>39</td>
<td>11700 lbs</td>
<td>000120050 DAT</td>
<td>Stericycle Burlington Environmental</td>
<td>Kent, WA</td>
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<td>3/24/2015</td>
<td>UN1993 Waste Flammable Liquids, N.O.S. 3 PGII</td>
<td>Drums</td>
<td>5</td>
<td>1500 lbs</td>
<td>000120050 DAT</td>
<td>Stericycle Burlington Environmental</td>
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<td>3/24/2015</td>
<td>UN1307 Waste Xylenes 3 PGII</td>
<td>Drums</td>
<td>1</td>
<td>300 lbs</td>
<td>000120050 DAT</td>
<td>Stericycle Burlington Environmental</td>
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</tbody>
</table>
START performed Hazard Categorization of samples to support disposal operations. START inventoried all the large tanks, totes and drums.

<table>
<thead>
<tr>
<th>Date</th>
<th>HazCat</th>
<th>Containers</th>
<th>Inventoried</th>
</tr>
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<td>52</td>
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<td>14</td>
<td>34</td>
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<tr>
<td>3/23/2015</td>
<td>0</td>
<td>20</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>49</td>
<td>150</td>
<td></td>
</tr>
</tbody>
</table>

2.2 Planning Section

2.2.1 Anticipated Activities

2.2.1.1 Planned Response Activities

No further response activities are planned at this time.

2.2.1.2 Next Steps

No further response activities are planned at this time.

2.2.2 Issues

None

2.3 Logistics Section

ERRS managed removal equipment logistics, including heavy equipment, roll-off bins, overpacks and totes, and PPE.

START managed hazard classification logistics, data management, site air monitoring logistics, and sample collection logistics.

2.4 Finance Section

No information available at this time.

2.5 Other Command Staff

2.5.1 Safety Officer

The EPA On-Scene Coordinator, Mike Sibley, has overall responsibility for safety at this site.

The START safety officer is Eric Lindeman.

The ERRS safety officer is Jerry Wade.

2.5.2 Liaison Officer
The EPA OSC is functioning as the Liaison Officer.

2.5.3 Information Officer

An Odessa Biodiesel response media information fact sheet has been prepared by PIO.

3. Participating Entities

3.1 Unified Command

Unified command is not in effect at the site.

3.2 Cooperating Agencies

EPA
Washington Department of Ecology
Odessa Public Development Authority

4. Personnel On Site

1 EPA OSC
2 START (E&E)
6 ERRS (EQM/McGillivray)
1 Stericycle (Disposal Contractor)

5. Definition of Terms

None.

6. Additional sources of information

6.1 Internet location of additional information/report

http://www.epaosc.org/odessadiesel

6.2 Reporting Schedule

This is the final POLREP planned for this site.

7. Situational Reference Materials

None.
• No personal investment by Lou Soumas with Pinnacle/TRE INC
• Damon Pistulka and Joel Edmunds not associated with NEXT Renewables
Response to Questions on Odessa Facility

As disclosed in the background information previously provided, neither NEXT Energy or Waterside Energy had any involvement with, financial interest in, or dealings with the Odessa project back in 2013/2014. Neither NEXT nor Waterside had been formed at that time.

The two key principals of Waterside, Mr. Efird and Mr. Soumas, did sit on the Board of Directors of the parent company that partially owned the project company ("TCP") that operated the Odessa plant from January through June of 2014.

As further background information, following are responses to the inquires raised in the Port’s August 27, 2018 email:

Last thing on this- can you get confirmation that NEXT/Waterside settled all their debts from the Odessa project.

Waterside/NEXT had no debts or other financial interest in, or obligations to, TCP or its lenders or creditors. Neither did Mr. Efird or Mr. Soumas, or any owner or member of Waterside or NEXT.

1. The $1.7M owed to the canola seed company & resulting lawsuit-what was the outcome? Is there a Dismissal/settlement document they can provide which proves they paid the debt?

The referenced obligation and related litigation, stemming from a normal trade account payable, is ongoing with no settlement to date. The judge awarded Summary Judgement in favor of TCP and the other named defendants back in 2016. As a result, the plaintiffs modified their complaint to avoid losing in Summary Judgement and the case remains open. The amount and obligation at dispute are a trade payable of TCP and not an obligation of any of the other named defendants. TCP counsel has been trying to get this settled with no success to date.

2. The $6K or so in back taxes owed to the state I think (not sure)

We have no access to the books or records of TCP but have been told this was paid out of a deposit made with the taxing authority back in 2014.

3. Proof of resolution of the EPA investigation into the site, clearing Waterside of any wrongdoing. What is the current status of that?
As previously stated, neither Waterside or any of its principals have ever been involved in or accused of any wrongdoing by the EPA as relates to the Odessa project (or any other project or operation of its principals including any operations prior to forming Waterside). Contrary to what certain groups claim for their own agendas, the EPA specifically stated the Odessa site is not a NPL (National Priority List) or “Superfund” site.

The EPA clean-up at Odessa occurred after TCP had returned the facility to the owner. The inactions (failure to maintain the property) and movement of materials inside the plant by the property owner resulted in the need for the EPA clean-up. TCP, as the last operator in the building, has been accused of leaving a mess at the site, but photographic records provided by TCP to the EPA back in 2015 showed the condition of the plant at the time TCP exited did not require any clean-up actions.

To the best of our knowledge there is no ongoing action or case at the EPA involving the Odessa site. The EPA’s 2015 Final Situation Report for the Odessa site is attached. It states no further activities are planned.
Aug 1, 2019
Memo for file
Due Diligence Next Renewable Group, Inc Next Renewable Fuel Oregon, LLC
Finance:
Reviewed financial information regarding Next Renewable Group, Inc. 3/31/2019
They have adequate cash/cash reserves approx. 1 million
Total Assets 3 million

Financial assurances for future funding are in place.
Phase I—60-80 million
Phase II 350-450 million

Total expended at Port Westward Sept 18- July 19 3.1 million

Verified EIN #’s both Next Renewable Group, Inc and Next Renewable Fuels Oregon LLC
Corporate authority to do business
By Laws
Board members Next Energy Group Inc
State of Oregon business License approval
Credit reports from NACM and Experian—low-med risk for industry. Medium risk for financial stability.

Bob Gadotti