

MOBERLY GREEN, NILIA

From: Bruce Korenstra <bruce.korenstra@gmail.com>
Sent: Friday, January 20, 2017 4:47 PM
To: MOBERLY GREEN, NILIA
Cc: PIGOTT, BRUNO; hatkinson@idem.in.gov; Chris Abel; Sarah Young
Subject: Letter regarding Hoskins Property
Attachments: IDEM Hoskins AM letter (5).docx

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Nilia - Attached is the letter that I had mentioned in our conversation. It is the information that I have provided Congresswoman Jackie Walorski and her staff.
I am still waiting on a response from August Mack.
Sincerely,
Bruce Korenstra

From: Bruce Korenstra, Member
South Property Development LLC
501 West Railroad Avenue
Syracuse, Indiana, 46567

January 20, 2017

To: Nilia Moberly Green
Indiana Dept. of Environmental Management
State Cleanup Section
Office of Land Quality
100 N. Senate Avenue
Indianapolis, Indiana, 46204

Re: Agreed Order agreement, Former Hoskins Mfg., State Cleanup Site #000000091; RCRA facility #IND980 615 678.

Dear Ms. Moberly Green,

I am requesting a review of the Agreed Order involving the property formally known as Hoskins Mfg. now South Property Development LLC. It is my opinion the "spirit" of the agreement is no longer being observed. The costs to meet IDEM's expectations have exceeded the value and purpose of the facility. A significant amount of money has been spent on the facility and now it appears there is no end in sight to the spending. I am asking that we return to the original understanding. That understanding, in my opinion, was to assess current conditions of the groundwater contaminant plume, assess potential exposure pathways, and mitigate risk, if necessary.

Background history:

Better Way Partners, a fiberglass manufacturer that is located within 200 yards north of a former brownfield property (known as Hoskins Mfg.) had worked with IDEM for 10 years trying to develop a plan to resurrect the property. No plan was ever created that satisfactorily protected Better Way from EPA/IDEM regulations. A portion of one building was used by Better Way as a warehouse. IDEM allowed that activity as long as no chemicals were stored for manufacturing activity. Because it was a polluted property, the buildings were abandoned by both the Hoskins Company and the bank that held a mortgage. The property was deteriorating to the point that the property was not only an eyesore but a safety risk to the public. One of the three building's roof collapsed and had to be demolished. With no heating system and faulty doors and roof, the only value the unsecure facility had was for cold storage.

In October of 2014, Better Way had a fire that destroyed one of their production buildings. Rather than wait to have the building rebuilt, the thought was to request IDEM to allow Better Way to refurbish one of the Hoskins buildings for production. For this to happen, the property needed to be purchased from Elkhart County (County owned due to tax liens) and conclude an Agreed Order from IDEM. With the help of Attorney David Guevara of Taft and Chris Abel of August Mack Environmental we did finalize an Agreed Order. My brother and I also worked with Elkhart County, and the newly formed company, South Properties Development LLC, purchased the facilities. Immediately, approximately \$350,000 was invested for refurbishing the buildings. The company also installed approximately \$1,000,000 of manufacturing equipment into the building and put 100 people back to work.

Mr. Guevara of Taft and Mr. Abel of August Mack along with IDEM's attorney, April Lashbrook, crafted the Agreed Order. Before I signed the AO I asked for a budget regarding expected costs to comply. Originally I agreed \$200,000 was the maximum to be spent over 5 years. Then at the time of signing the AO the budget jumped to \$270,000 over two years which I reluctantly agreed.

The spirit of the agreement was to assess current conditions of the groundwater contaminant plume, assess potential exposure pathways, and mitigate risk, if necessary. The AO states that the conditions and testing were to be to the "satisfaction of IDEM". Little did I know that phrase created an endless cycle of more and more testing with no end in sight.

I would be happy to share more details but it is probably suffice to point out the tests/monitoring have cost to date \$384,330. The attorney fees to craft the AO were \$105,504. The 2017 minimum testing being suggested

by the consultant (IDEM has not agreed to these lesser levels) would be \$84,000. If IDEM does not agree to the minimum testing then the costs could be as high as \$286,000. I do not have a budget for 2018 and beyond but my understanding is the requests will be for similar testing.

I would like to point out a very inconsistent IDEM philosophy that has allowed the property to sit vacant for 20 years with little or no testing. Now that I agreed to testing, IDEM is suggesting tests every 3 months!! It appears the public is at risk only if someone is available to fund the project!

IDEM has also requested Vapor Intrusion testing which was not part of the original Agreed Order budget. Two different tests for Vapor Intrusion were completed and both results came back showing no hazard to employees. IDEM is requesting that we continue to test for vapors. That particular building has ventilation that is moving 110,000 cubic feet of air per minute or complete exchange of air every 8 minutes. Even if the vapor appeared to be a potential issue, there likely would be no problem because of the tremendous ventilation system.

Conclusion:

South Property Development wants to work with IDEM but funds are now very limited. South Property would agree to test the seven strategic wells discussed between me and August Mack that track any possible movement of the pollution and test for vapor intrusion only if the ventilation's current status is changed or building purpose is changed. The proposed modification to groundwater and Vapor Intrusion sampling will be presented in the upcoming report due to IDEM at the end of February. IDEM is welcome to continue as much testing as desired as long as it is paid by IDEM. Other than that I will likely not do any further testing and let South Property go into default. If South Property is no longer a viable company then the problems go back to IDEM. If history is any indication, the testing will stop and the facility will deteriorate and eventually have no value. As Commissioner Pigott stated in his recent presentation to the IDEM, the Governor expects IDEM to provide good quality service to the citizens of Indiana.

Thank you,
Bruce Korenstra

South Property Development LLC Member
Of [574-457-2062](tel:574-457-2062)
Cell [574-535-4796](tel:574-535-4796)

CC:

Harry Atkinson, Chief of IDEM State Cleanup Section
April Lashbrook, IDEM Office of Legal Counsel
Carrie Russell Brunson, Elkhart Couth Health Department
Commissioner Bruno L. Pigott
Sarah Young, August Mack
Chris Abel, August Mack
Brian Spaulding, District Director for Congresswomen Jackie Walorski
Ben Falkowski, Chief of Staff for Congresswomen Jackie Walorski
Jackie Walorski, Congresswomen Second District of Indiana