



Fact Sheet #2

August 31, 2015

300 West LLC/Arnold Engineering Co. Site Investigation, Marengo, Illinois Agency Identification # 170000116265

Site Background

The Arnold Engineering Co. ("Arnold") operates at the property located at 300 North West Street in Marengo, Illinois (the "Site"). 300 West LLC ("300 West") owns the property on which Arnold operates.

Historical chlorinated solvent use on the Site is presumed to be the cause of chemical contamination in local groundwater. Routine monitoring of on-site groundwater per the conditions of an Illinois EPA water permit revealed contamination by certain solvent-related chemicals. Testing of a few off-site private wells north of the Site began in 2008. No site-related chemicals were reported as being detected in private wells until 2013. 300 West and Arnold (collectively known as, the "Defendants") have denied the allegations regarding responsibility for area groundwater contamination.

Illinois EPA's referral to the Office of the Illinois Attorney General and the status of the Case

In June 2013, the Illinois EPA referred the contamination of residential wells located near the Site to the Office of the Illinois Attorney General (OIAG) for resolution through enforcement. Following the filing of a Complaint in June 2013, Agreed Orders were entered in McHenry County Circuit Court in June 2013, August 2013 and July 2014, requiring the Defendants to:

- Provide bottled water to certain private well owners near the Site,
- Conduct quarterly sampling of certain private wells, and
- Conduct an on-site and off-site investigation to determine the nature of the contamination, including volatile organic compounds (VOCs) and 1,4-dioxane, and the extent of the contamination including the depth.

The OIAG is proceeding on behalf of the State of Illinois to seek a permanent, safe drinking water alternative for affected private well users and a remedy for both the on-site soil and groundwater contamination and off-site groundwater contamination.

In March 2015, the OIAG filed a First Amended Complaint against the Defendants. The parties to the litigation are currently conducting fact discovery, which must be completed by September 30, 2015. When the fact discovery is completed, the case will proceed to the expert discovery phase. This will include the identification of testifying expert witnesses, the production of related documents and the taking of expert depositions. Expert discovery must be completed by January 15, 2016, unless otherwise ordered by the Court. After expert discovery is completed, the parties may file various motions and the case will proceed toward trial. A trial date has not been set by the Court. The next scheduled status hearing is on January 20, 2016 at 10:00 am at the McHenry County Courthouse. The OIAG and Illinois EPA will continue to provide updates during this process.



What is being done to protect water users from the contamination?

Bottled water is currently being provided to residents whose private wells have been affected by site-related contamination. However, it is not a permanent solution. The OIAG is pursuing the litigation of the pending case, while also attempting, with the Illinois EPA, to negotiate a permanent drinking water remedy with the Defendants. The Defendants recently proposed that filtration systems be installed in certain homes. The Illinois EPA and OIAG are evaluating the Defendants' proposal. Because of the ongoing litigation, the State cannot comment on the proposal, other than to note that no permanent remedy has been selected to date. The Illinois EPA and OIAG are also considering other possible options including connection to the City of Marengo (City) water supply.

The Defendants are required to sample private drinking water wells near and in the direction of groundwater flow to the Site on a quarterly basis pursuant to an Agreed Order. Any changes in sampling would require a modified order. A copy of the Agreed Orders may be found on the Illinois EPA webpage: <http://www.epa.illinois.gov/topics/compliance-enforcement/enforcement-orders/index>, using the term "300 West" in the Case Name field.

City of Marengo Water Supply

The City's water supply wells are located on the east side of Marengo in an area of groundwater that is not affected by the contamination from the Site. Also, in accordance with state and federal law, the community water supply is frequently tested to ensure water quality for all of the public water supply users. Sampling results have consistently shown the City's water supply to be in compliance for regulated contaminants. Illinois EPA's Drinking Water Watch provides analytical results and copies of consumer reports for public water supplies - <http://water.epa.state.il.us/dww/index.jsp>.

Questions regarding the Proposed Filtration Systems

Many questions have been received from area residents regarding the filtration systems proposed by the Defendants. Residents with affected wells have raised concerns about how effective the systems would be to remove the contaminants of concern; whether they would require a lot of space; how much annual maintenance might cost; how access agreements will be developed; whether there is a plan for clean water for livestock and crops; and whether money would be set aside in escrow to cover any maintenance issues or potential damage from operational failures. The State is evaluating the Defendants' filtration system proposal and, as such, is unable to provide answers to the foregoing questions at this time. However, if the filtration system proposal moves forward, answers to the residents' questions regarding the filtration system proposal will be provided.

Site Investigation

Pursuant to the Second Agreed Preliminary Injunction Order, as modified, the Defendants are required to conduct both on-site and off-site soil and groundwater sampling to define the extent of contamination. This is proceeding in a step-wise fashion continuing outward until the vertical and lateral boundaries of the contamination area is defined. In addition, the Defendants are required to submit letter reports, which show both on-site and off-site sampling data and locations. After completion of the soil and groundwater investigation to define the nature and extent of contamination, the Defendants are required to submit a Comprehensive Site Investigation and Remedial Objectives Report to the Illinois EPA that contains information on the vertical and lateral extent of the off-site groundwater contamination plume(s) as well as the on-site areas of soil and groundwater contamination. The report will also contain details such as maps depicting the contamination plumes, tables of environmental sampling data, ground surface

contours, and groundwater flow direction. The Defendants are required to submit the foregoing reports after the site investigation work is completed.

Once Illinois EPA receives and approves the Comprehensive Site Investigation and Remedial Objectives Report, the next step is for the Defendants to propose in a Remedial Action Plan a technically adequate remedy or remedies for both on-site and off-site contamination. When received, the Remedial Action Plan will also be posted on the Illinois EPA webpage.

What compounds have been found in the groundwater?

Volatile organic compounds including chlorinated solvents tetrachloroethylene (PCE), trichloroethylene (TCE) and 1,1,1-trichloroethane (TCA) and breakdown products cis-1,2-dichloroethylene (cis-1,2-DCE), trans-1,2-dichloroethylene (trans-1,2-DCE), 1,2-Dichloroethane (1,2-DCA), 1,1-dichloroethylene (1,1-DCE), and vinyl chloride have been detected in groundwater associated with the Site. VOCs are man-made chemicals commonly used in manufacturing processes and found in cleaning solvents. 1,4-dioxane has also been detected in many of the private well samples to date. Additionally, chloroform, methyl tert-butyl ether (MTBE), lead, iron, and manganese were detected in off-site monitoring wells.

How can I obtain more information?

The Illinois EPA has established a webpage, <http://www.epa.illinois.gov/topics/community-relations/sites/arnold-magnetic-technologies/index> that includes information and links to documents related to the Site, including existing court orders and a previous Site fact sheet and notice letter. Additionally, the Comprehensive Site Investigation Report, which includes results of all the investigation work, maps and environmental sampling data, will be posted when it is received and reviewed by Illinois EPA. Other documents not available on the webpage may be obtained through a Freedom of Information Act request at <http://www.epa.illinois.gov/foia/index>. The Illinois EPA site identification number for the site is 170000116265. Please note that due to the pending litigation, certain information and documents may not be disclosed.

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Fig. 1: 300 West LLC/Arnold Engineering Site Location west of Marengo

