

July 31, 2017

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TO: Eric Mosher  
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SUBJECT: Trip Report- Epic Holdings LLC., South Glens Falls, NY

Introduction:

This trip report is intended as a surrogate for a Site Assessment for this facility. A site assessment was not done because all of the orphan containers of hazardous substances and hazardous wastes are identified by either product labels or generator knowledge. With respect to the thousands of gallons of petroleum being stored at this facility, it has been identified by the owner/operator of the facility as residual #6 oil drained from four above ground storage tanks (ASTs) that had been permanently taken out of service. Because the characteristics of these materials is readily known no sampling or haz-cating was done in order to come to the conclusions and recommendations presented in the following report.

Background:

In early July, 2017 I was approached by Ellen Banner, Chief, Prevention Section, and asked if I would inspect the subject facility for potential SPCC applicability, as well as a possible candidate for a Superfund removal action.

By way of some history of the facility, it had been a cloth bag/sack manufacturer that went out of business in the 1940s. It was subsequently purchased and operated as various private businesses, including a bio-diesel fuel manufacturer, an analytical lab, and an automotive fluids wholesaler. In 2003 the facility was purchased and began operating as a small, light industrial/commercial park. As various tenants moved in and out, partition walls and equipment was installed or removed as needed by the new tenant. Occasionally a tenant would move out and leave chemicals and chemical wastes behind.

Ms. Banner had heard from other EPA program offices, namely the Air Compliance Branch (ACB), the RCRA Branch, and the TSCA Branch, that a few years ago there had been significant violations of those Branch's regulations, and now it was believed that there might be SPCC and CERCLA applicability as well. OSC Mark Gallo had performed an RP oversight of an asbestos remediation at the facility in May/June 2016 and noted that other environmental 'problems' existed at the facility. This facility is the subject of a multi-media civil enforcement action involving ACB, RCRA and TSCA.

Inasmuch as I was working on a removal site in the vicinity of Epic, Ms. Banner thought it would be efficient to have me inspect the facility. I checked OSC.net and found there was an existing Epic Holdings web site that was created by OSC Gallo.

I learned from his POLREPs that in 2014 Epic had accumulated NYSDOL asbestos demolition violations that resulted in the DOL issuing a Stop-work order to Epic. Subsequently, this matter was referred to the EPA ACB by the DOL. The ACB issued the owner an ACO to address loose asbestos inside the facility. After a joint inspection by the ACB and OSC Gallo, they observed asbestos outside the facility as well.

The owner stated that he could not afford to do the interior asbestos cleanup, but would commit to remediating the asbestos on the exterior. ACB referred the facility to RAB for a possible Superfund removal action for the asbestos. Eventually the involvement of RAB resulted in the owner retaining a licensed asbestos remediation contractor to remove the exterior asbestos. No information is known about any interior asbestos remediation, but it will be a matter for further inquiry.

In May/June of 2016, OSC Gallo obtained a CERCLA Site ID (A26T) for this site and oversaw the remediation of the exterior asbestos; he generated two POLREPs in connection with this RP-lead removal. During his second oversight visit OSC Gallo observed a location at the Site which contained what he estimated to be 250 poly drums containing virgin #6 oil. He was told by the owner that they had converted to natural gas circa 2009 and had the bulk of the #6 oil removed from four 23,000 gallon ASTs. For some inexplicable reason the bottom "heel" of each tank was pumped into 55-gallon drums and the drums were stored at the facility [Ed. Note: possibly because these tank bottoms had been allowed to cool and were too thick to pump into a tanker truck].

OSC Gallo estimated that the volume of petroleum in the drums was greater than 1,320 gallons, and as such would make the facility SPCC-regulated. OSC Gallo passed this information to Ms. Banner. This led Ms. Banner to approach me regarding scheduling an SPCC inspection. It was only when I began making inquiries with the other EPA programs that had been involved with this Site did I learn of the existence of defunct and/or possibly leaking electrical transformers, a cache of waste vegetable oil, drums of waste chemicals, and about 100 lab-pack containers.

I subsequently made arrangement with the facility's owner, Eric Unkauf, to visit the facility to conduct a joint inspection on July 14, 2017 with Kelly Duval, a NYSDEC Region 5 (Warrensburg) spills responder.

#### Inspection Results:

I met Ms. Duval at the facility at 1100 hours on July 14, 2017. The facility consists of two long, parallel buildings with an access road running in between. One building is uphill on one side of the access road and the second building is downhill of the access road. The buildings diverge from the bank of the Hudson River, which is about 60 feet at the closest point to the buildings. The access road bisects the two buildings and circles around the lower building in an elongated oval shape (see attached photo).

We met Mr. Unkauf and I identified myself to him with my EPA credentials. He escorted us to an upstairs store room where I observed the drums and other containers of chemicals. The room was being used as 'dead' space where random items and machinery was stored. There was an overhead sprinkler system, but the owner said that it might not be functional because it had been drained over the winter and he wasn't sure if it was recharged in the Spring.

There were 16 drums of chemicals and oil, some were marked "Used oil", one was marked "waste etching acid", and Mr. Unkauf stated that it was muriatic acid (a diluted form of hydrochloric acid). Hydrochloric acid is a CERCLA listed hazardous substance. Other drums had hand markings, such as "Derty oil". There were approx. 100 small, lab pack containers of paint, paint solvent, caustic cleaners and similar commercial chemicals. There were also 2 drums and two totes labeled "chicken oil/fat". Mr. Unkauf stated that he was going to use some of the chemicals and dispose of the rest. Ms. Duval gave him POC information for local waste contractors.

In another area of the room I observed 7 defunct electrical transformers that were marked with PCB labels. They were staged on a spill pallet and marked as containing PCBs. Based on information I received from the TSCA program, the PCB concentration in these transformers exceeded 50 ppm and as such were subject to TSCA PCB regulations. Mr. Unkauf stated that these were old transformers that had been taken out of service and were slated for eventual disposal. He stated that everything in the room comprised all the chemicals he had on site excluding those chemicals that were being used by his current tenants. Mr. Unkauf also stated that all this material was left by former tenants who had moved out of the facility.

I asked to see the room with the #6 oil and he took us to an area in the down-hill building that was almost at the closest point to the Hudson River (see attached photo). He opened a metal roll-up door that was about 10 feet wide, and arrayed inside was 4 walls of floor-to-ceiling metal racks holding poly drums (see attached photos). When asked about the origin of the drums, the owner explained that when the facility converted to natural gas he drained and decommissioned the four 23,000 gallon ASTs, but the #6 oil in the bottom of the tanks, known as the "heel", is a thick, sludge-like residue which he placed into 55-gallon drums. When OSC Gallo was overseeing the asbestos removal he noticed the drums and recommended that they be placed on pallets. Apparently his advice was followed and the owner moved the palletized drums to the room I observed during my inspection. Number 6 oil is considered an NFPA Class II Combustible liquid. It has a flash point of about 120F°, and if it had no commercial value it would be classified as a RCRA D001 Ignitable waste.

The room itself was approximately 40 feet X 30 feet with a ceiling that was about 70 feet high. There was only one ingress/egress door, a metal roll-up door that moved on fixed tracks. This room is on a slightly down-slope 175 feet away from the flood plain of the Hudson River, and about 200 feet from the river itself (see attached photo). There are no windows in this room, and one interior passage door is located on the far wall (which is a non-fire rated partition) situated behind a bank of the drums, so the door it is not accessible from inside the drum room. The room does not have any smoke or fire detection systems, and the owner was not sure if the sprinkler system was functional. The roll up door is not a fire rated door and has to be manually opened and closed. Non-fire rated metal doors will deform readily in a fire, and a roll-up door that operates in a bracketed "track" system will not open or close when the door becomes deformed. If a fire broke out in this room, a jammed door would hamper firefighters from accessing the fire and would be a challenge to physically remove.

Directly adjoining this room is a company named Buffalo Biodiesel. This company buys used cooking oil from area restaurants, bulks it, and transports it to a plant in Tonawanda for refining. However, at any given time there are hundreds, possibly thousands of gallons of used cooking oil stored inside or at the premises. Cooking oil is by definition a "petroleum" and is also a NFPA Class IIIB combustible liquid which will auto-ignite at about 325°F. This temperature is well within the range of temperature generated by an uncontrolled #6 oil fire. A fire in either Buffalo Biodiesel or in the #6 oil storage room could readily spread to the other location, exacerbating an already dangerous situation.

I asked about floor drains and the owner said there was one in the room, which after a brief search we located behind the rack of drums on the back wall. This is the non-fire rated wall that divides the drum room from an adjacent tenant, a small machine shop. In an attempt to trace the direction of flow of the floor drain we entered the adjoining machine shop (not operating at the time) and located the floor drain on *that* side of the partition wall. It had some water flowing through it, *away* from the drum room. We located 3 other floor drains in the machine shop but all of them were dry. The first drain (corresponding to the floor drain in the drum room) was seemingly flowing *away* from the drum room to an unknown location. The owner wasn't sure where it went and promised to find and copy the floor plans for that part of the building so we could trace the drains; as of the date of this report he has not submitted the plans.

Returning to the drum storage room, I observed that some of the drums were missing lids and oil had slopped over the side and dripped onto the floor. I observed that some drums were not only missing lids but had been deformed out-of-round or were cracked, and many had oil splashed down the sides. I also observed that a number of pallets had broken or missing block supports (see photo). Assuming 7.36 lbs. per gallon for #6 oil, and 220 gallons per pallet, each pallet was supporting roughly 1,600 lbs. For a damaged pallet this could be considered a somewhat unstable support platform.

I asked Mr. Unkauf if the room had any secondary containment and he pointed to a manhole about 8 feet in front of the roll-up door; there were no markings on the lid. He said he thought that was the containment basin. I asked him to open the manhole and we used a pry bar to remove the cover. As he removed the lid some flies flew out. In the hole I observed brownish water almost to the top of the manhole. Mr. Unkauf stated that he thought that it was in fact a septic tank. If it actually was a flooded secondary containment tank, it could not then accommodate any oil run-off from the oil drum storage room.

Ms. Duval did a rough drum count of and came up with about 13,000 gallons of #6 oil, which would make the facility subject to the Spill Prevention, Control, and Countermeasures (SPCC) regulations. The facility does not have either a state or federal SPCC plan. I informed Mr. Unkauf that the improper storage of combustible #6 oil, in open containers in a building with no secondary containment, no human presence, no smoke or fire detection/suppression systems, probably in violation of numerous NFPA code requirements, and without a spill prevention plan constituted a threat of a release to the nearby Hudson River, a navigable waterway of the US. He stated that he had "someone" who was possibly interested in taking the #6 oil, which is what he told OSC Gallo in May, 2016.

However, this cache of oil is still being improperly stored at the facility in the same condition it was in 2016, with the exception of the staging on pallets on shelves.

This last activity concluded the inspection. As a result of what I observed, I issued Mr. Unkauf a CERCLA Field Expedient Notice (FEN) for the chemicals and transformer fluid with a response date of July 21, 2017.

I also issued Mr. Unkauf a Notice of Federal Interest (NOFI) for the improper storage of the #6 oil in a location and condition that I judged to pose a threat of a release to a navigable waterway of the US and/or adjoining shorelines.

I told Ms. Duval that EPA would defer any action against the Facility if the DEC preferred to handle this matter in an expeditious manner.

The inspection concluded at 1145 hours.

#### Summary & Conclusions:

The presence of haphazardly stored chemical containers, some of which contained CERCLA hazardous substances, in an unmonitored room that was seldom-used, with a possibly non-functioning fire suppression system, presented a threat of a fire and potential release to the environment.

With regards to the #6 oil being improperly stored at the facility, for the reasons stated in the body of this inspection report, I believe that there is also a threat of a release of petroleum into a navigable waterway or onto adjacent shoreline of the US.

[Editorial Note: What was somewhat alarming about this inspection was that although Mr. Unkauf had owned and operated this property for almost 15 years, he was surprisingly ignorant of much of the physical characteristics and operational state of the buildings on his property. He did not know if the sprinkler system was functioning, he was not aware of where floor drains were directed, he mistook a septic tank (?) for secondary oil containment, he stored thousands of gallons of an ignitable liquid in containers and a room totally unsuitable for such storage, he has exhibited ignorance of basic fire prevention requirements, and has not been able to produce floor plans for his own buildings. Mr. Unkauf has also been very lax by letting tenants move out of the buildings without first ensuring they did not leave any chemical wastes behind. The writer's impression is that he is an 'absentee landlord' and exhibited a somewhat disinterested attitude to all this.]

#### Post-inspection follow-up:

On July 19, 2017 the writer called the South Glens Falls Fire Department (518-792-1674) and left information about the #6 oil in a voice mail message to that department.

On July 21, 2017 Mr. Unkauf responded by e-mail to the FEN I issued to him after the inspection. In his e-mail he stated that 4 of the 16 drums of chemicals will be disposed of by a contractor, MC Environmental.

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The small paint containers would, per the DEC, be disposed of as either scrap metal or MSW.

The drums and totes of liquid vegetable and chicken oil would be given to Buffalo Biodiesel, and the solidified oil would be disposed of as MSW. The remaining 12 drums of chemicals and oil would be further assessed for possible reuse or recycling. He further stated that all work would be "completed by November 1, 2017".

Regarding the PCB fluids in the 7 defunct transformers, in a conversation with A. Finnigan, EPA TSCA, she confirmed that the transformers are being properly stored in accordance with applicable TSCA regulations, and that Mr. Unkauf has until May, 2018 to have the fluids drained and properly disposed. The drained transformers could be either recycled or discarded as MSW.

This writer will monitor the RP's adherence to his assurances that he will dispose of the chemicals NLT November 1, 2017. This writer will also monitor any long-term progress in disposing of the PCB fluids.

Any decision whether to open a spill account with the National Oil Spill Liability Trust Fund (NOSLTF) will depend on how Mr. Unkauf responds to the NOFI. Absent a timely response from the RP to remove the #6 oil, EPA is prepared to act promptly to obtain funding from the NOSLTF and initiate a response action.

See attached photos.

End.

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Epic Holdings LLC File

















