

**PHASE I ENVIRONMENTAL SITE ASSESSMENT UPDATE**

**FOR**

**THE WETSIG PROPERTY  
WILMINGTON, NORTH CAROLINA**

**PREPARED FOR**

**MW4, LLC  
WILMINGTON, NORTH CAROLINA**

**CLARK PROJECT NO. 08102**

**FEBRUARY 25, 2008**

**PREPARED BY**

**THE CLARK GROUP  
POST OFFICE BOX 10136  
WILMINGTON, NORTH CAROLINA  
{910} 602-3900**

## TABLE OF CONTENTS

	<u>PAGE</u>
1.0 EXECUTIVE SUMMARY	1
2.0 BACKGROUND AND METHODS	2
3.0 PRIOR REPORTS REVIEW	2
4.0 SITE RECONNAISSANCE	3
5.0 GOVERNMENT DATABASE AND INCIDENT LIST REPORT	4
6.0 HISTORICAL AERIAL PHOTOGRAPH REVIEW	4
7.0 CONCLUSIONS	4
8.0 LIMITATIONS	5

### LIST OF FIGURES

FIGURE 1	TOPOGRAPHIC VICINITY MAP
FIGURE 2	SITE MAP WITH MONITORING WELL AND FORMER SOIL BORING LOCATIONS
FIGURE 3	TAX MAP DEPICTING NEARBY PROPERTY USES

### LIST OF APPENDICES

APPENDIX I	RECORDS OF COMMUNICATION AND USER'S QUESTIONNAIRE
APPENDIX II	PREVIOUS REPORTS
APPENDIX III	SITE PHOTOGRAPHS
APPENDIX IV	GOVERNMENT DATABASE AND INCIDENT LIST REPORT

# PHASE I ENVIRONMENTAL SITE ASSESSMENT UPDATE

FOR

## THE WETSIG PROPERTY WILMINGTON, NORTH CAROLINA

CLARK PROJECT NO. 08102

FEBRUARY 25, 2008

### 1.0 EXECUTIVE SUMMARY:

The subject property, composed of a triangular-shaped 3.17 acre parcel, is located at 4402 Market Street, Wilmington, North Carolina (New Hanover County). There are currently two primary operations on the property, Wetsig Yachts and Marine Mechanix. In total, there are six free-standing buildings and two small storage sheds at the site. **Figure 1** is a topographic vicinity map, **Figure 2** is a detailed site map, and **Figure 3** is a tax map, based on a 2006 aerial photograph, depicting nearby property uses.

This investigation was conducted by The Clark Group (Clark), on behalf of MW4, LLC (Wilmington, North Carolina), as authorized by Mr. Michael Kersting and Mr. Bill Thibodeau, pursuant to addressing purchaser due diligence. The investigation was conducted consistent with *ASTM Standard E 1527-05: Phase I Environmental Site Assessment Process*. Property access was authorized by Mr. Paul Wetsig, the current owner and site operator of Wetsig Yachts (Wilmington, North Carolina). Documentation of the interviews with Mr. Thibodeau and Mr. Wetsig, as well as the user questionnaire, are included in **Appendix I**.

Historically, the property was utilized as the Pearsall and Company Fertilizer Plant, a bulk mixing and bagging facility that operated from the early 1900s to 1980. In 1981, the site was utilized as the Pearsall Garden Center. In approximately 1983, Mr. Wetsig purchased the property and operated his company, Wetsig Yachts. Boat engine repair facilities, such as Marine Mechanix, also have occupied areas of the site. Currently, the only businesses operating on site are Wetsig Yachts and Marine Mechanix. Other areas and buildings of the site are currently being used for storage.

Clark conducted a previous Phase I investigation on the subject property. The report dated August 21, 2002 documented "recognized environmental conditions" (RECs) in association with the historical and current use of the property. There were several subsequent investigations, including a *Phase II Subsurface Investigation*, a *Limited Site Assessment Report*, a *Comprehensive Site Assessment*, a *Corrective Action Plan*, and five monitoring reports. The site contains levels of arsenic and chromium above regulatory standards in soil and arsenic in groundwater along a former railroad spur, which was the historic loading dock for the fertilizer plant. A horizontal and vertical extent was determined for arsenic contamination. In the state approved *Corrective Action Plan (CAP)*, it was recommended to monitor the natural attenuation of the contamination in groundwater through quarterly monitoring in the first year and then annually until site closure could be negotiated with the

North Carolina Department of Environment and Natural Resources (NCDENR). The soil contamination removal was not proposed at that time, but as a contingency (if necessary) for removal at a later date, if the site was redeveloped. Within the monitoring phase, a sentinel well was installed as an initial interceptor for possible migration of the dissolved arsenic plume to off-site receptors. The latest monitoring report, dated May 8, 2007, documented arsenic levels that exceed Title 15A of the North Carolina Administrative Code, Chapter 2, subchapter 2L (15A NCAC 2L) groundwater standards (50 µg/L) for monitoring well MW7. The site was originally regulated under NCDENR, Aquifer Protection Section (APS); however, due to an intervening agency reorganization, the site is now under the regulatory authority of the Division of Waste Management (DWM), Inactive Hazardous Sites Branch (IHSB).

For the current Update Phase I investigation, the subject property and the buildings, as well as surrounding areas, were visually inspected on January 29, 2008. The property consists of six buildings, listed as follows and referenced in **Figure 2**:

- Building A (Wetsig Yachts)
- Building B (Storage building)
- Building C (Storage building)
- Building D (Former well and boiler building)
- Building E (Power shed)
- Building F (Marine Mechanix)

The entire property is surrounded by railroad tracks. Numerous boats, boat hull molds, and equipment are scattered throughout the property. Several empty 55-gallon drums are located in an overgrown area near the western property boundary. Concrete footprints of former Pearsall buildings are still present.

In summary, site usage has not changed significantly since the prior Phase I investigation and the current investigation did not identify any additional onsite RECs warranting further inquiry, beyond that conducted herein. The RECs documented in the prior investigation and the documented contamination at the site still warrant further monitoring.

During the preparation of the CAP, under the authority of the Aquifer Protection Section, the IHSB was consulted and their recommendations concerning source material investigation / remediation were incorporated in the CAP, which was approved by the APS. Subsequent monitoring has been suspended by Branch Banking & Trust Company (BB&T), who had been maintaining financial responsibility on behalf of Wetsig. At that juncture, and with the reorganization of incident management, the IHSB has asserted authority over future response actions. Ms. Genevieve Henderson, who is the Wilmington Regional representative of the IHSB, has been contacted concerning whether the Branch would oppose continued monitoring under the previously approved CAP. It was determined that the Branch would not oppose the re-initiation of monitoring under the prior plan, and it is therefore recommended that the prospective purchaser agree to continue the monitoring in order to sustain a status of compliance.

It should be noted that although arsenic is detectable in unfiltered samples taken from MW3, MW6, and MW7, filtered groundwater samples suggest that the only "bonafide" exceedance of groundwater standards only exist in MW7.

## 2.0 BACKGROUND AND METHODS:

This update was completed by performing several tasks including: an interview with the property owner; an interview with the client's agent; a review of the prior reports; conducting a site reconnaissance; and, reviewing an updated government database and incident list report. In addition, relevant local and state government agency personnel were contacted to document whether any environmental incidents have since occurred at, or in the immediate vicinity of, the subject property area that might have environmental significance for the subject property.

## 3.0 PRIOR REPORTS REVIEW:

Clark has conducted several previous investigations (listed below in detail) on the subject property for BB&T. The current report relies heavily upon the *Phase I Environmental Site Assessment*, the *Comprehensive Site Assessment*, the *Corrective Action Plan*, and the latest monitoring report. Historical references and copies of portions of those reports, with text, tables, and figures, are enclosed herein (**Appendix II**).

A) *Phase I Environmental Site Assessment Report*, August 21, 2002 (Clark). In summary, the three most significant findings warranting further inquiry were: the long-term operation of fertilizer manufacturing operations and the potential impacts caused by these operations; the prior operation of a small diesel underground storage tank (UST) and potential impacts caused by possible leakage of fuel; and, the localized presence of "oily stained soils", particularly in the area of the Marine Mechanix boat repair operation. It was recommended that a Phase II subsurface investigation be performed to address these three issues.

B) *Phase II Environmental Site Assessment Report*, December 2, 2002 (Clark). The Phase II investigation consisted of a limited soil and groundwater investigation. The concentrations of two metals, arsenic and chromium, slightly exceeded NCDENR, DWM, IHSB Soil Remediation Goals for Unrestricted Land Use (arsenic), and NCDENR, Division of Water Quality (DWQ), Soil-to-Groundwater Cleanup Levels (chromium).

Arsenic was identified in the groundwater sample from one well (MW3) at a concentration which exceeds the 15A NCAC 2L standard. A copy of the Phase II report was submitted to the following regulatory agencies, and responses were received from each agency:

- i. Dr. Charles Stehman, P.G., Environmental Regional Supervisor I, NCDENR, DWQ, Aquifer Protection Section, Wilmington Regional Office (WiRO);
- ii. Ms. Charlotte Jesneck, Head, NCDENR, DWM, Superfund Section, IHSB, Raleigh Central Office; and
- iii. Mr. David Holsinger, Regional Supervisor, NCDENR, DWM, Underground Storage Tank Section, WiRO.

Clark addressed all requests for further investigations as described below:

C) Soils and Groundwater Issues, dated June 17, 2003 (Clark letter report submitted to Mr. John Powers, Superfund Section). The requested additional soil sampling for metals in multiple areas did not detect further exceedences of respective standards. The requested re-sampling of one monitoring well revealed the persistent presence of dissolved arsenic above 15A NCAC 2L standards.

D) Phase II Limited Site Assessment, dated July 31, 2003 (mandated report submitted to NCDENR, UST Section). The re-sampling of soil and the sampling of groundwater at the former heating oil tank pit did not reveal the presence of compounds at levels in excess of applicable "soil-to-groundwater" standards or the 15A NCAC 2L standards.

E) Asbestos Findings, dated August 6, 2003 (Clark letter report submitted to Ms. Pat Wylie, Human Ecology and Epidemiology Section). Asbestos was not found to be present in the soils of the site, though one piece of "mastic" was found to contain chrysotile. It was also determined that the exterior of the building has areas covered by transite siding which contains chrysotile. No further actions were requested. Upon future demolition of the building, siding materials should be properly handled and disposed.

F) Groundwater Issues, dated October 20, 2003 (Clark letter report submitted to Mr. John Powers, Superfund Section). At both newly installed monitoring wells, arsenic was detected at concentrations in excess of the 15A NCAC 2L standards. The horizontal and vertical extents remained undefined.

G) Groundwater Issues, dated December 5, 2003 (Clark copy of above letter report submitted to Dr. Charles Stehman at the Wilmington Regional Office (WiRO), Groundwater Section). The only documented, outstanding regulatory issue pertains to the presence of elevated levels of arsenic in groundwater and the presence of slight exceedences of regulatory thresholds for arsenic and chromium in soils. The site is being regulated by NCDENR, WiRO, APS, as described in a letter from the Superfund Section, dated November 14, 2003.

H) Comprehensive Site Assessment (CSA), dated November 15, 2004 (Clark). The CSA consisted of a groundwater investigation for the delineation of the dissolved arsenic plume. Multiple shallow and deep monitoring wells were installed and sampled. The arsenic plume appears to be of low concentration and to be delineated onsite. Analyses of soil samples, taken during previous studies, revealed the concentrations for two metals, arsenic and chromium, slightly exceeded applicable action levels. The soil plume was adequately delineated previously, and no further soil investigation was deemed warranted during the CSA phase of work. The CSA report summarizes all other previous issues addressed at the site, including those not related to the arsenic investigation.

I) Corrective Action Plan (CAP), dated March 21, 2005 (Clark). The CAP consisted of groundwater and soil sampling and the determination of the best remedial option for the contamination. It was recommended to monitor the natural attenuation of the contamination in groundwater through quarterly monitoring in the first year and then annually until site

closure could be negotiated with NCDENR. A sentinel well was proposed as an initial interceptor for possible migration of the arsenic plume to any potential off-site receptors. Soil contamination removal was not proposed at that time, but as a contingency (if necessary) for removal at a later date, if the site was redeveloped.

J) Natural Attenuation Quarterly Monitoring Report (First Quarter), dated February 13, 2006 (Clark). A sentinel well was installed downgradient to the dissolved arsenic plume for monitoring potential off-site migration. Eight wells were monitored in the area of the arsenic plume. MW3, MW6, and MW7 contained dissolved arsenic levels above 15A NCAC 2L groundwater standards.

K) Natural Attenuation Quarterly Monitoring Report (Second Quarter), dated May 11, 2006 (Clark). Eight wells were monitored in the area of the arsenic plume. MW3, MW6, and MW7 contained dissolved arsenic levels above 15A NCAC 2L groundwater standards.

L) Natural Attenuation Quarterly Monitoring Report (Third Quarter), dated September 14, 2006 (Clark). Eight wells were monitored in the area of the arsenic plume. Dissolved arsenic was present in MW3 and MW6, but only MW7 contained levels above 15A NCAC 2L groundwater standards.

M) Natural Attenuation Annual Monitoring Report (Fourth Quarter), dated December 13, 2006 (Clark). Eight wells were monitored in the area of the arsenic plume. MW3, MW6, and MW7 contained dissolved arsenic levels above 15A NCAC 2L groundwater standards. It was recommended that monitoring continue on a semi-annual (twice a year) basis.

N) Natural Attenuation Semi-Annual Monitoring Report (Fifth Event), dated May 8, 2007 (Clark). Eight wells were monitored in the area of the arsenic plume. Dissolved arsenic was present in MW3 and MW6, but only MW7 contained levels above 15A NCAC 2L groundwater standards.

#### 4.0 SITE RECONNAISSANCE:

The subject property and the buildings, as well as surrounding areas, were visually inspected on January 29, 2008 for the current Update Phase I investigation. Site photographs are included in **Appendix III**. The property consists of six buildings, listed as follows and referenced in **Figure 2**:

- **Building A (Wetsig Yachts):** This building, approximately three open stories in height, is constructed of sheet metal with a steel and wood frame on a concrete slab. According to Mr. Wetsig, this building was constructed in the 1960s as an addition to the main former Pearsall and Company Fertilizer building, which was constructed in the early 1900s. Mr. Wetsig said that the original part of the main brick building collapsed during a hurricane in the 1990s and he has made repairs to this portion of the building. He currently operates his business, Wetsig Yachts, within this building. The business fabricates and repairs fiberglass boat hulls and superstructures. Onsite there are several 55-gallon drums containing resin and chemicals used for the fabrication of the boats. These are contained on the concrete

floor and, according to Mr. Wetsig, the empty drums are disposed off site.

- **Building B (Storage building):** The building, erected in early 1900, is constructed of sheet metal siding with a wooden frame on a concrete slab. According to the prior Phase I report, it was used for tractor repair and storage for cotton and hay. It is currently used for storage of equipment, tools, and a few cars.
- **Building C (Storage building):** The building, constructed in the mid-1990s, is made of concrete block with a concrete floor and a metal roof. In the prior Phase I report, the building was referenced as being a rigging building for boats. The building currently is used for the storage of various equipment for a landscape company.
- **Building D (Former well and boiler building):** This building was constructed in the 1940s of concrete block and wood on a concrete slab. It housed a diesel-fueled boiler supplied by an underground storage tank (UST). Mr. Wetsig removed both the boiler and the UST in 1983. Currently, the building is used for storage of various items and a 55-gallon fuel drum.
- **Building E (Power shed):** The concrete block portion of this shed was part of the 1950-1970 north side addition to the main building. Mr. Wetsig added a wooden exterior on the south side to enclose power panels for the shed. The shed appears to be in very poor condition.
- **Building F (Marine Mechanix):** Marine Mechanix has operated out of a couple of wooden sheds since the 1980s. Their business has always been the repair of boat engines. Oil, gas, and parts cleaner liquids are placed in large plastic containers and disposed off site by P&W Oil (Leland, North Carolina). Most work is conducted under an open metal awning with a dirt floor. Numerous old boat engines are scattered around the sheds. A monitoring well was installed in the area of the waste oil containers during the prior Phase II event; however, no constituents were above 15A NCAC 2L.

The entire property is surrounded by railroad tracks. Numerous boats, boat hull casts and molds, and equipment are scattered throughout the property. Several empty 55-gallon drums are located in an overgrown area near the western property boundary. Concrete footprints of former Pearsall buildings are still present.

## **5.0 GOVERNMENT DATABASE AND INCIDENT LIST REPORT:**

A new government database and incident list review (February 1, 2008, **Appendix IV**) was obtained and the subject property is identified on the State Hazardous Waste Sites (SHWS) Records list (which is believed to be the Inactive Hazardous Waste Sites), the Incident Management Database (IMD), and the Leaking Underground Storage Tank (LUST) Incidents Management Database. Several sites located within a half of a mile of the subject property were also listed, but the sites are not adjoining properties and are distally located away from the subject property, in such that they do not require further inquiry. The EDR report does not show the subject property to be situated on federal and/or state wetland areas and,

because the property is fully developed, the site does not appear to contain *Section 404 Jurisdictional Wetlands*.

**6.0 HISTORICAL AERIAL PHOTOGRAPH REVIEW:**

The current investigation included a review of the historical aerial photographs, along with the corresponding detailed discussions, as included in the previous Phase I report (see **Appendix II**).

**7.0 CONCLUSIONS:**

In summary, site usage has not changed significantly since the prior Phase I investigation and the current investigation did not identify any additional onsite RECs warranting further inquiry, beyond that conducted herein. The RECs documented in the prior investigation and the documented contamination at the site still warrant further monitoring.

It is recommended that the site continue to be monitored pursuant to the previously approved CAP until such time as a regulatory process for closure is determined. If the site is redeveloped, for instance, a single excavation event may be appropriate to achieve this goal.

**8.0 LIMITATIONS:**

This environmental assessment is based on a review of available data and visual site reconnaissance. Subsurface environmental conditions were not addressed in detail. It is possible that this investigation may have failed to reveal the presence of hydrocarbons or hazardous waste contamination in excess of regulatory action levels on site, where such contamination may exist. Although Clark has used appropriate and mutually agreed upon procedures and technologies for this investigation, Clark cannot guarantee that such contamination does not exist. Clark and its employees, agents or subcontractors are not responsible for any false or misleading information obtained from the sources or individuals interviewed in connection with this investigation and are not responsible for any concealed conditions on the study site.