

# Resource Environmental LLC (RELLC)

*A Unique Approach to Managing  
Multi-party Environmental  
Liabilities*

# *What is RELLC ?*



**RELLC is a Limited Liability Co.** formed in 2003 organized to proactively address releases of petroleum fuels at multi-member sites through aggressive mitigation of impact to receptors

- ✓ **Experience and Expertise in Multi-party Project Management**
- ✓ **Specializing in “urgent care” and “intensive care” remediation**
- ✓ **Proven Track Record with many success stories**
- ✓ **Rapid Response Capabilities and Readiness**

## **Pillars of RELLC Business Model:**

- Preventative Law
- Total Liability Management
- Alternative Dispute Resolution

# *RELLC Corporate Structure (1/1/2023)*

## Board of Directors

- Sets policy and strategic direction
- Nominates sites
- Approves project work scope, budget and allocation
- Majority decision: one vote per member

Chevron

Ian Robb

ExxonMobil

Jessica C. Akindele–Alo

Marathon

Michael Bracey

Phillips 66

Dan Fischman (Board Chair)

## Officers

- Executes the day-to-day business

President

John Englehardt

VP and General Counsel

George Phair

VP and General Manager

Greg Vogelpohl

# *Multi-Party Scenarios*

## **Case #1** *(urgent response situation)*

- *A municipal supply well is impacted by petroleum fuels. Regulatory agency focuses on marketing facilities in the vicinity*
- *Each company initiates its own investigation with various approaches and is faced with the challenge of what to do based on limited data and the potential of being the source or a part of a commingled plume*
- *By the time individual and non-coordinated site assessments are completed and responsible parties are identified the water supply system has become impacted to a degree that requires it to be shut down*
- *Regulatory concern, public fear and media attention is escalated*

## **Case #2** *(more common situation)*

- *Within an area, companies are managing their own investigations and remedial programs with various and non-coordinated approaches and reporting to different agency PMs*
- *Differing interpretations of incomplete data sets causes conflicts between companies resulting in an array of outcomes from protracted negotiations/ resolutions, unnecessary data collection, conflicting site remedies, delays, finger pointing ....*
- *Regulatory concern, public fear and media attention may escalate*

***...and the Risk of Impacts and Litigation Increases***

# Contrast to Industry Approach for Multi-Party Sites

## General Industry Practice

- ▶ PRPs reluctant to take action until sources identified / reasonably delineated & responsibility more clear
- ▶ Often parties take significant effort and time to agree, if at all
- ▶ Each party acts on its own data only and does what it thinks is best for its site and is often driven by agency demands; any regional approach is difficult for single party acting alone
- ▶ Allocation of shared costs are problematic, often arbitrary and if agreed are almost never adjusted

## RELLC

- ▶ Immediate focus on impacts and what to do if there is a threat or impact to human health and/or environment regardless of fault
- ▶ Pre-established contracts and work processes are in place
- ▶ RELLC takes a regional approach with all the needed data driving integrated solutions. Strategies are set to meet parties' needs. RELLC leads but is collaborative with agencies
- ▶ Allocation is based on independent data analysis with scheduled updating as new pertinent information develops

# *How Does RELLC Work*

## **Multi-party release of petroleum fuels**

- Member company nominates site
- Following staff assessment, Board approves site into RELLC
- RELLC assumes management control of the project area
  - RELLC assigns project to environmental consulting firm
  - Project managed as integrated remedial effort
  - Board approves strategies, scope and budget
  - Allocation of financial responsibility is periodically updated
  - Staff conducts expert peer reviews with member companies
  - Staff executes the plan and invoices impacted parties monthly with 10% Fee
- Pre-agreed contracts/programs/processes in place for members; third party agreement available for non-members
- Important company and project documentation is available
- Binding arbitration exclusive dispute resolution remedy

# Site Selection Criteria

(The best site for RELLC would involve the following)

## Minimum Criteria

- ▶ Multiple sites or properties
- ▶ One or more RELLC members involved
- ▶ Two or more potentially responsible parties
- ▶ Not currently in litigation

## Additional Indicators

- ▶ Litigation risk
- ▶ Receptors impacted, threatened or unknown
- ▶ Significant stakeholder concerns
- ▶ Responsibilities of the PRPs undefined or ineffective
- ▶ Need for greater progress or otherwise move quickly
- ▶ State funding involving commingled plumes (eg. California)

# *RELLC Benefits*

- **Unique features for commingled plume cases**
  - Environmental response is the priority
  - Credibility with regulators and public
  - Corporate shield and is not perceived as ‘Big Oil’
  - Pre-agreed contracts / plans / programs
- **Cost effective management**
  - Centralized management with regional approach
  - Expedited remedial activities and leverages expertise of members
  - Eliminates conflicts of multiple investigations
  - Leverages UST Reimbursement Programs
- **Equitable allocation process**
  - “Sound Science” basis; updated as new data available

*... and reduces the risk of litigation*



# *RELLC Significant Accomplishments*

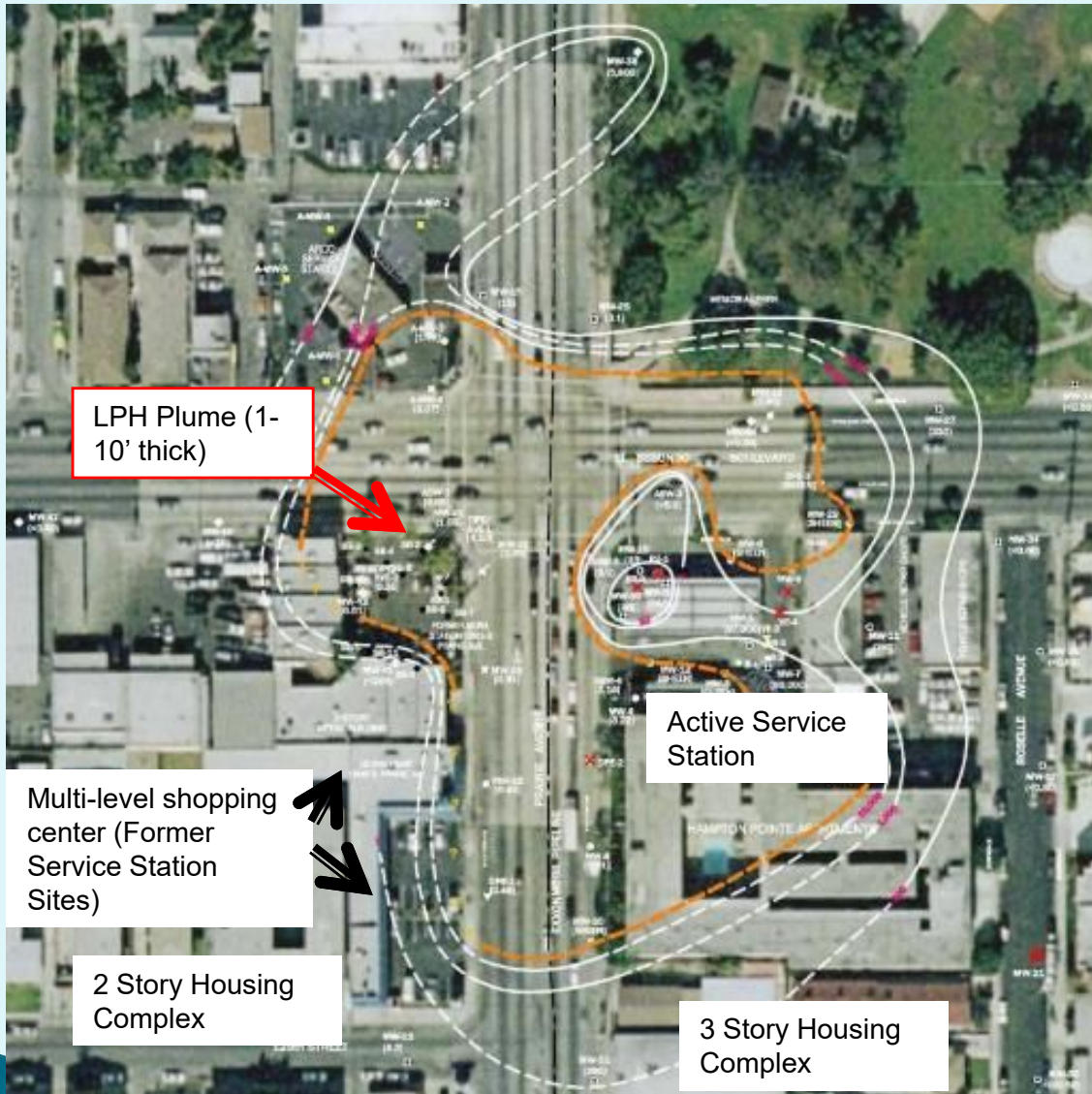
- ▶ **Safe and In Compliance**
    - No injuries or NOV's in the last 14 years,
  - ▶ **Effective Relations & Preserved Reputation**
    - No negative publicity across high profile sites
    - Creating collaborative environment – Interagency Task Force
    - Regulatory support across multiple states' agencies
  - ▶ **Liability Minimized**
    - No adversarial claims across all projects
  - ▶ **Complex Project Execution**
    - Hawthorne common system across 7 lane roadways
    - Dominguez Channel – Assessment and remedial program for a channel area involving 26 pipelines under clean-up and abatement order
  - ▶ **Minimized Costs**
    - Overcame significant and difficult access issues
    - Assessment plans completed in 1–2 years
    - Active remediation complete in 2–4+ years
    - Leveraging reimbursement programs in 2 states worth \$28MM
- “Intensive Care” by RELLC  
on multiparty complex  
projects creates success

# Selective Example Projects

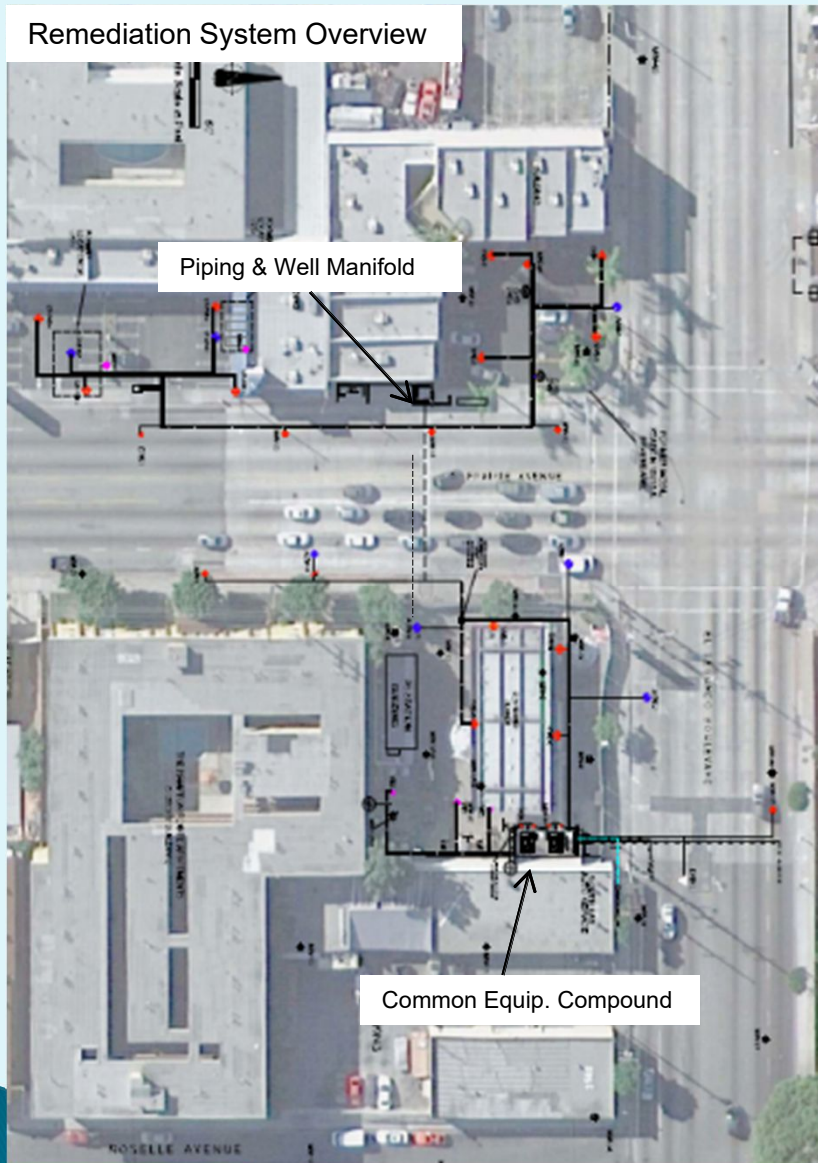
- Hawthorne, CA – 2 ½ Acre Free product plume 50' bg over 3 sites plus offsite impacts in densely populated area being remediated with one system. Ready for closure in 2022
- Glendale / LaCrescenta, CA – Public wells impacted with 22 potential UST sites involved with expedited site response and regional approach with non-RELLC PRP. Project successfully closed
- El Cajon, CA – 3 sites with over 200k gallons of equivalent gasoline recovered before closure was achieved
- Hearne, TX - 3 terminals with private wells impacts resolved and terminals cases moved to closure expeditiously
- Waskom, TX – 2 terminals with threatened impacts to creek and drinking water reservoir resolved and remedial activity completed
- Indianapolis, IN – 2 typical former UST sites with common impacts resolved using 2 differing technical solutions with site closure
- Washington DC – 3 previously closed sites re-opened to aggressively address impacts discovered at a major 18-acre urban redevelopment project with significant construction in 2018. Project was successful with no construction delays for redevelopment.

Others Project Locations: New Jersey, S. Carolina, New York, Montana, Washington, Oregon

# Hawthorne Project Location



# Hawthorne Project Accomplishments and Lessons Learned



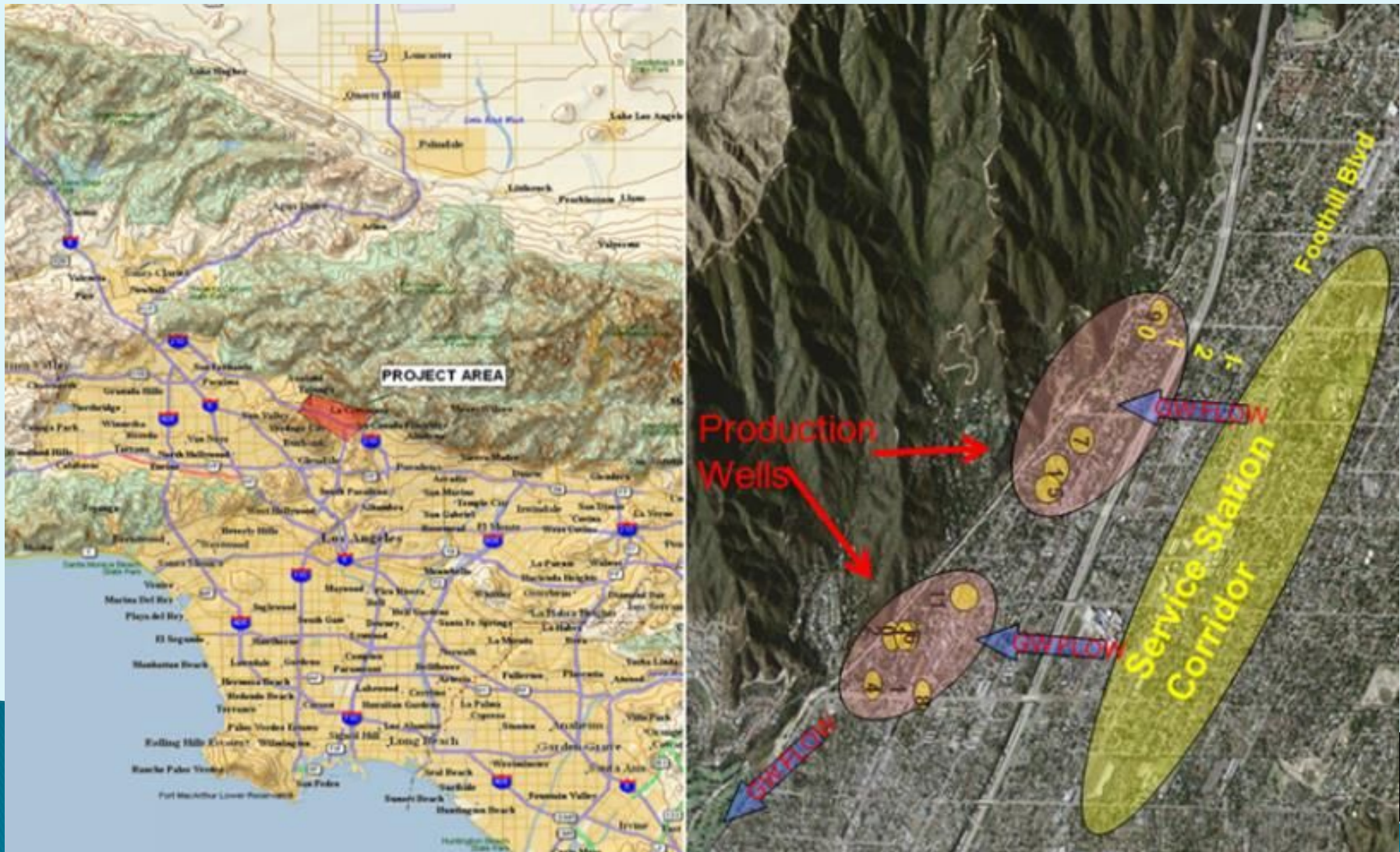
## Key Accomplishments

- Developed complex site conceptual model with impacts defined and investigated
- Access agreements with complex group of businesses
- Effective proactive outreach program
- Incident free remedial installation/operation using a single compound for the 3 sites
- Enabled remediation of up-gradient reluctant RP (small commercial land owner)
- 98% of LNAPL removed (>500,000 lbs.)
- Partial reimbursement through state fund (~\$4.5M)

## Lessons Learned / Opportunities

- Regional approach was critical to success
- Positive relations with City Officials / Local Businesses / Landowners and an effective outreach program with public enabled access / permitting
- Applications of new technologies important to the success
  - Air sweep for free product removal;
  - QRI Pulsar helped define lithology in hard to access areas

# Verdugo Basin, Los Angeles Area



# Sample RELLC Site



# Glendale Project Accomplishments and Lessons Learned



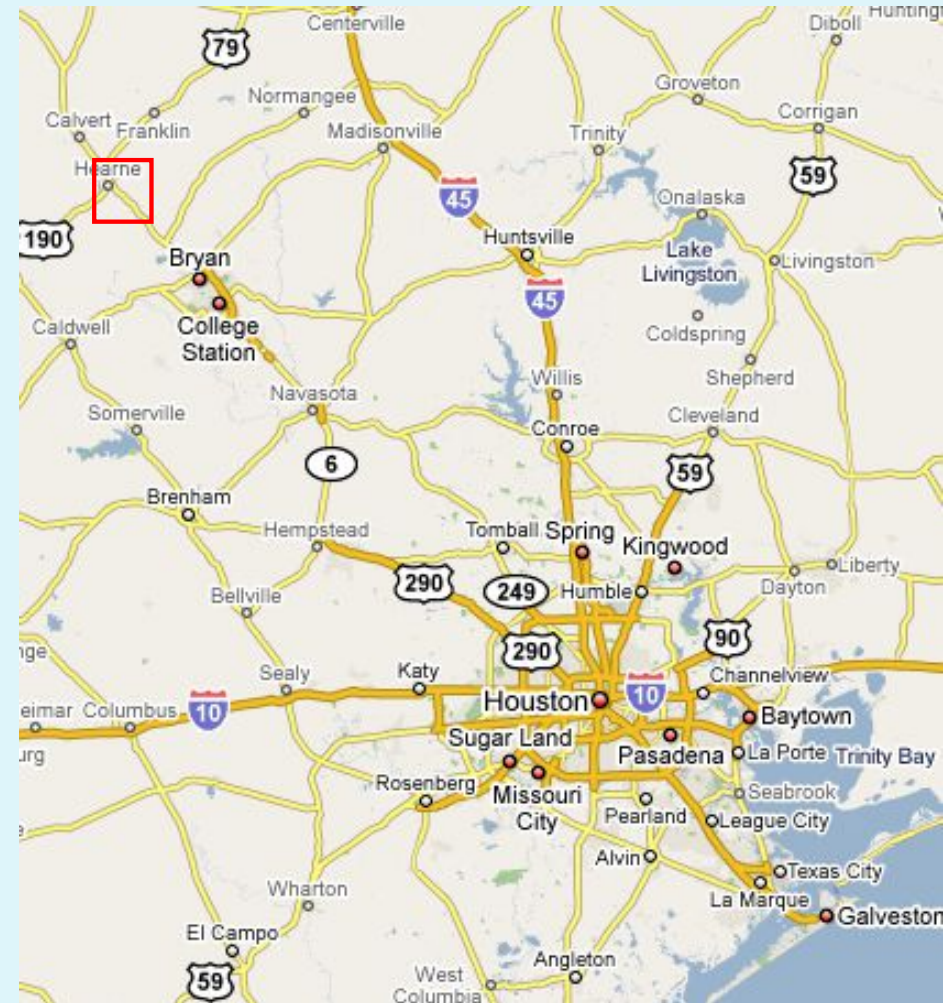
## Key Accomplishments

- Establishment of MTBE Task Force and agreement on regional approach with agency and water purveyor.
  - Communication and cooperation among most stakeholders was outstanding and a model
- RELLC influenced involvement of most PRP's including small independents and government facilities
- RELLC's expedited assessment and remedial program was in place ~ 1 year. Site closure at 2 of 3 sites within 4 years
- No negative publicity with proactive outreach program

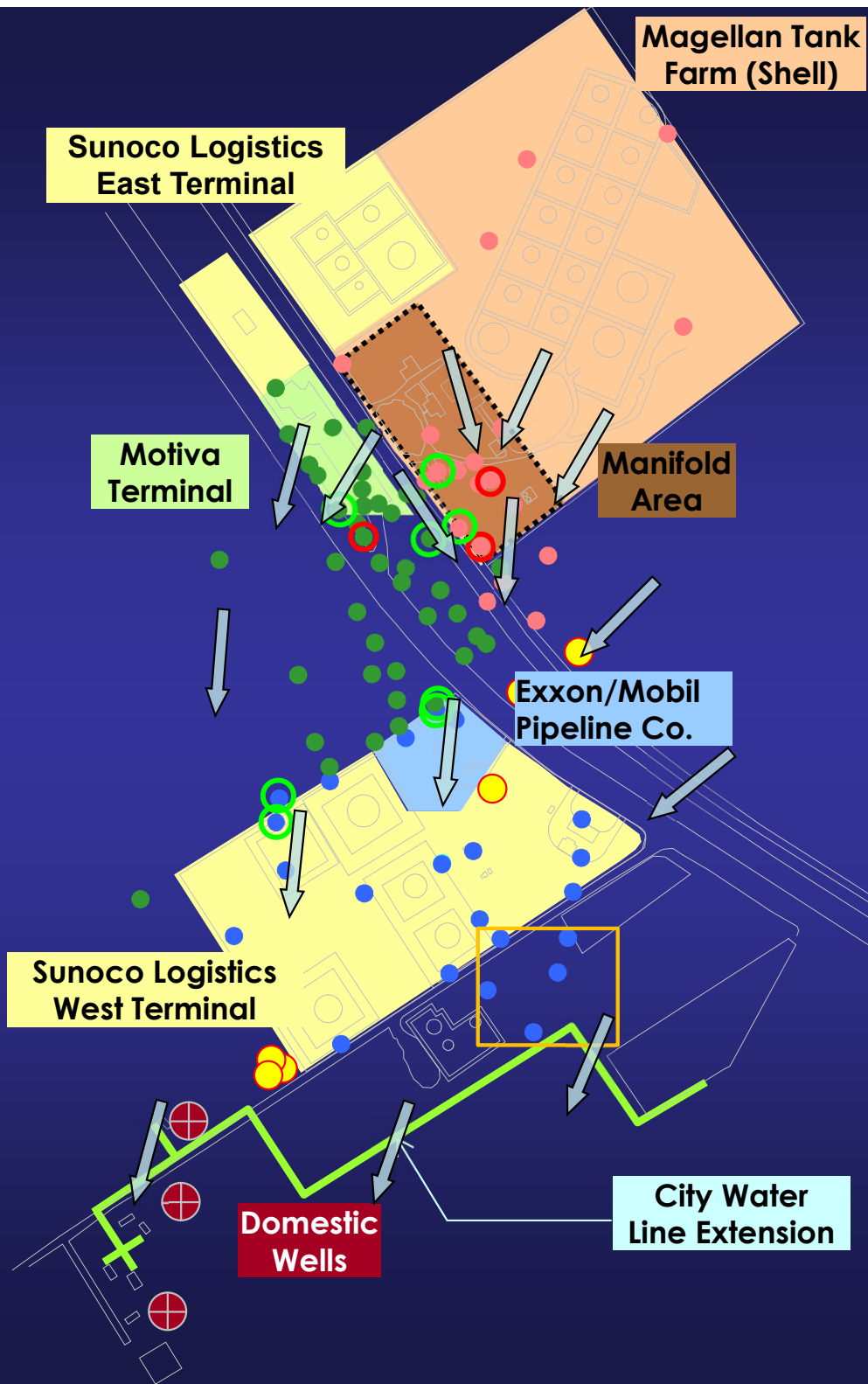
## Lessons Learned / Opportunities

- Establishing a regional approach to include non-members is critical to maximize effectiveness of a process that leads to overall corrective action. Collaboration with agency, water purveyor and RELLC was key.
- Establishing a work group with all stakeholders such as a Task Force can be very effective.
- RELLC could have potentially managed non-members sites with a more attractive third party agreement.

# Hearne Project Location





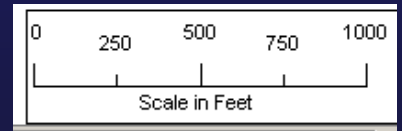
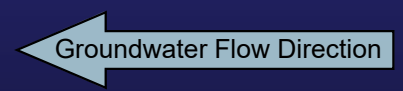


### Key Accomplishments

- Timely resolution of residential concerns and impacts – no claims
- Agency approved remedial program that had been problematic for many years
- Reduced monitoring requirements by ~75%
- Enabled sale of ExxonMobil Terminal
- Life cycle costs minimized

### Lessons Learned / Opportunities

- Resolution of residential issues significantly reduced the complexity of the project and concerns with the agency
- Regional approach was critical to reaching agency approval
- Unnecessary work performed to protect self interest prior to RELLC's involvement



- Shell
- Motiva
- ExxonMobil (currently Sunoco Logistics)