



## ENGINEERING RISK/DUE DILIGENCE PROPERTY ASSESSMENTS

Environmental and due diligence assessments of properties/facilities are designed to evaluate environmental conditions and identify the legal tools available to manage, limit and allocate environmental liability risks at a given property. EMC<sup>2</sup> staff has completed environmental liability assessments for manufacturing facilities, waste management facilities; active and abandoned mines, mill and smelter sites, and petroleum retail/bulk terminal/refinery sites. Our personnel bring previous operational experience in these industries, as well as an in-depth understanding of applicable regulations and industry standards necessary to provide a realistic assessment of potential property liabilities.

**Coal Mine Facility** – Our typical approach to an environmental assessment project is illustrated by a recent due diligence assessment we completed for a potential purchaser of a 1,340 megawatt “mouth of the mine” coal-fired generating facility in Western U.S. Working as part of a due diligence team that included financial, legal, insurance and operations specialists; EMC<sup>2</sup> evaluated existing and future environmental liabilities associated with the coal mine. This work included assessing environmental liabilities and estimating reclamation costs and cash flow schedules under various operating/closure scenarios, as well as looking at innovative contractual, technical and regulatory strategies and insurance products available to control or cap the identified liabilities.



**Coal Mine Feeds a 1,340 MW Electric Plant**

**Aluminum Production Facility** – Reviewed soil, groundwater, air and surface water sampling data; hazardous material use/disposal records; permit and permit violation information; and release reports and clean-up records at an operating aluminum production facility located in northwestern United States. Assessment results were used to estimate environmental liabilities and related remediation costs resulting from historic operations.

**Automotive Parts Facilities** – Reviewed records, interviewed employees, performed inspections and sampled environmental media and waste streams to assess and quantify environmental liabilities at four manufacturing facilities in Ontario, Canada.

**Europe Petroleum Facilities** – Reviewed records and sampled groundwater and soils at representative petroleum retail, bulk terminal and refinery sites in Belgium and Luxembourg. Investigation results were used to estimate environmental liabilities and remediation costs at the sites selected for assessment. Remediation costs for non-assessed sites were predicted based on the estimated costs for similar assessed sites. Texaco used these cost estimates in indemnification settlement negotiations with the former owner of the facilities.

**Former Mining Company Facilities** – Assessed environmental liabilities and risks; determined ownership and operational histories; and estimated closure requirements/costs for over 50 former mining sites in the northwestern United States.

**First Chemical Corp. of Mississippi Plant** – Installed and sampled soil borings and groundwater wells in order to delineate the extent of a benzene/nitrobenzene plume at this chemical manufacturing facility in Pascagoula, Mississippi. After completing the site environmental assessment, EMC<sup>2</sup> staff prepared a RCRA Corrective Action Plan that included designs for lining the plant’s liquid waste pond, excavating/disposing of VOC-impacted soils in the site’s landfill and installing a groundwater pump and treat system.

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