



OCTOBER 2014 UPDATE: A YEAR OF REAL PROGRESS IN ALL AREAS

*Fort Smith City Directors Study Session
Tuesday, October 14, 2014*

Summary

July

Aug.

Sept.

Oct.

Nov.

Dec.

Progress Report in Key Areas

Remediation

Active remediation efforts enhancing natural attenuation and aggressive work in Area 1, all under ADEQ oversight

Validation

Continuing testing and reporting to enhance site understanding and validate scientific conclusion that no health risk exists

Resolution

Legal process continues to move forward on achieving fair resolution with residents.

Redevelopment

Warehouse sale completed, and serious conversations with well-positioned buyer for rest of site.

Remediation



Remediation Highlights



Completed 1st Round of Oxidant Injections

- Areas 2 & 3 and Neck: 1,400 gallons
- Area 1: 200 gallons



Completed 2nd Round of Oxidant Injections

- Areas 2 & 3 and Neck: 22,000 gallons at 81 pts.
- Area 1: 3,000 gallons at 10 pts.



Data Analysis and Validation of ISCO effectiveness and MNA enhancement



Adjust Remediation Plans on Latest Data

Pending 3rd Round of Oxidant Injection

- Area 1: 12,000 – 15,000 gallons at +70 pts.

Data Analysis and Validation of ISCO effectiveness and MNA enhancement

Data Analysis and Validation

Supplemental Injection, as necessary

Ongoing Data Collection to monitor ISCO effectiveness and MNA enhancement

Ongoing Data Analysis and Validation

Remediation

Whirlpool Property

- 6.7M square feet
- 2,300 ft. x 2,900 ft.

Area 1

- 24,375 sq. ft. - 75' x 325'
- Area of focus identified in RADD
- Additional testing completed this summer to provide better site understanding.

0 300 600 900
Feet



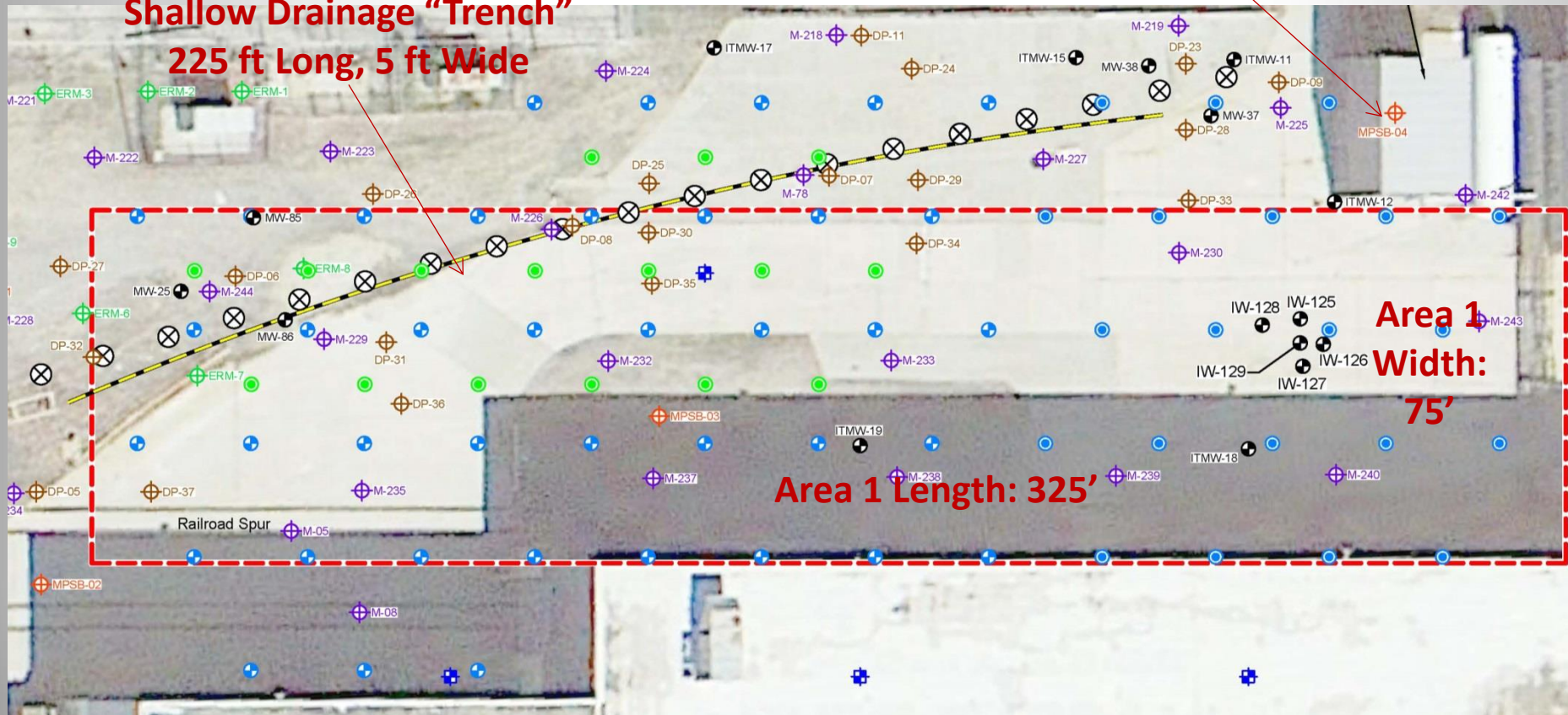
 Approximate Property Boundary

Remediation

Area 1 and "Trench" Detail

Former Degreaser Building
20' x 30'

Shallow Drainage "Trench"
225 ft Long, 5 ft Wide



Remediation

Area 1 Supplemental Work Plan Key Attributes

Based on Latest Data

- Aggressive, science-driven plan based on investigation completed in June

Focused on Area 1

- Investigation determined that Area 1 soils not affecting off-site plume
- Work is supplemental to RADD - not intended to address TCE beneath neighborhood and provides no benefit to remediation of off-site groundwater

Designed to achieve several goals, including:

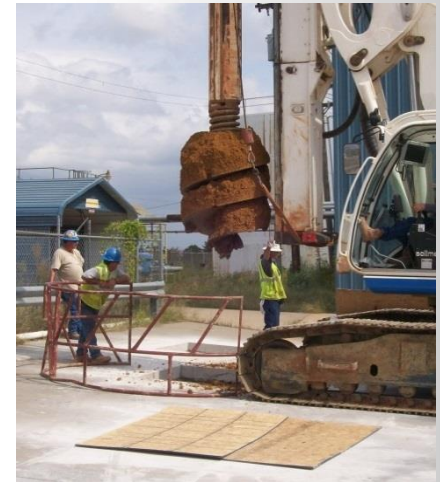
- aggressively address soil contamination found in Area 1 using a plan that can be quickly and effectively implemented and completed
- remove “hot spots” with the most contaminated soil
- enhance on-site groundwater remediation through in-situ chemical oxidation (ISCO) and monitored natural attenuation (MNA)
- advance redevelopment of the site to bring jobs and commerce to the area

Remediation

Area 1 Supplemental Work Plan Work Overview

Key Elements of Supplemental Work Plan:

- Removal of approx. 300 cubic yards of impacted soil.
 - Removed soil will be properly characterized and permitted for disposal off site.
- Placement of crushed limestone backfill in order to:
 - enhance natural attenuation of TCE in groundwater beneath Area 1, and
 - provide a platform for potential future activities.
- Performance of a third injection event in Area 1
- Continued monitoring, supplemental action if needed



Area 1 Supplemental Plan: Why Not Expanded Soil Removal?

Expanded Removal: Few (if any) benefits, serious complications

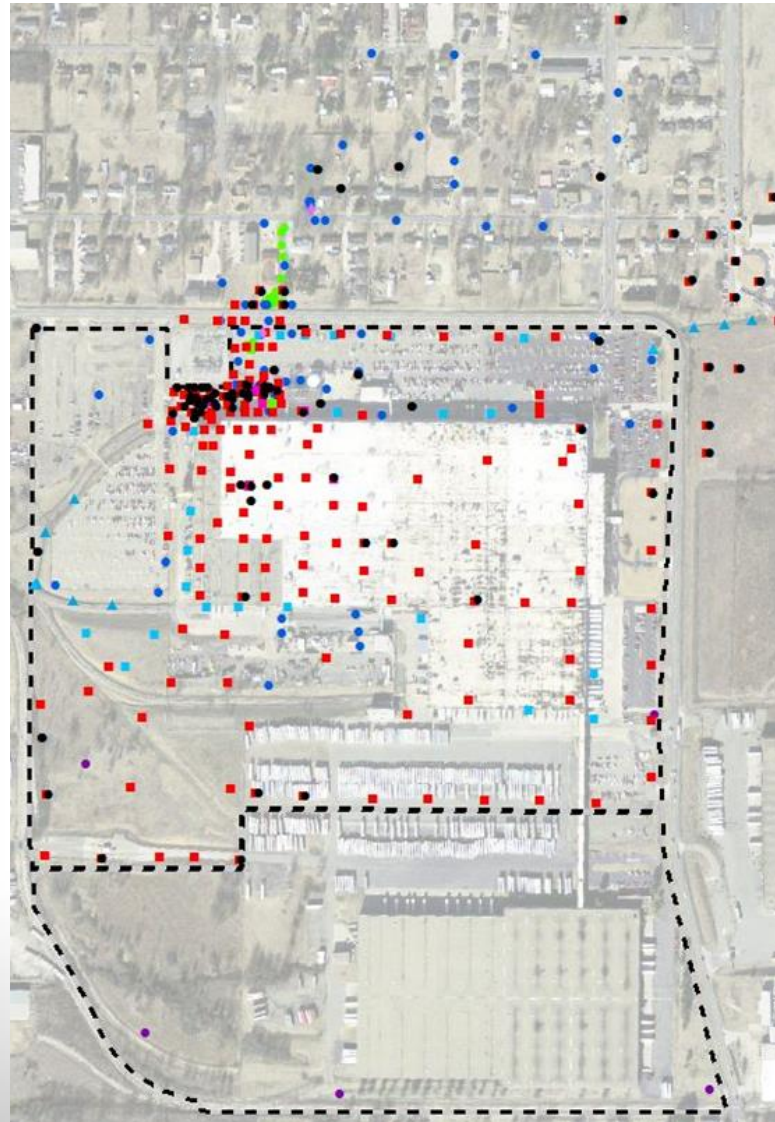
- No benefit to off-site groundwater remediation efforts
- No reduction in exposure risk to on-site workers
- Structural risk to manufacturing facility
- Structural risk to utility-owned electrical sub-station
- Significant de-watering effort required

Result: Significant delays in completing Area 1 remediation, setting back progress on redevelopment of the site for months or years.

Validation

Validation Overview

- 202 Membrane Interface Probes to screen soil and groundwater
- 62 Soil Probes for soil and groundwater sampling
- 86 Monitoring Wells – many sampled quarterly
- 5 Temporary Boundary Wells



Key

- MIPs
- Monitoring Wells
- Soil Probes
- Temporary Wells
- Injection Wells
- Soil Borings

Validation

Ongoing Monitoring Results



Latest Results:

- No pathways to cause health risk concerns
- Overall concentration of TCE in the plume continues to decrease
- Expected seasonal changes in exact plume location – plume remains under control.
- Third Quarter groundwater sampling results currently being validated and will be shared and reviewed with ADEQ; November 14

Validation

Northeast Corner Monitoring



- Testing completed in August, results shared with regulators, BGC, and public in an “Initial Report”
- Key Findings:
 - No pathways to cause health risk concerns.
 - No TCE soil contamination (44 samples at various depths)
 - No TCE detected in 8 of 9 groundwater samples taken on the Boys and Girls Club property.
 - The maximum TCE concentration detected less than 7 ppb which marginally exceeds the 5 ppb RAL (EPA drinking water standard)



Validation

Northeast Corner Next Steps

- Four permanent monitoring wells to be installed on Boys & Girls Club property
- Samples will be taken from new wells this fall, validated and analyzed
- Final Report produced based on data from permanent wells on Whirlpool and Boys & Girls Club property
- Work with Boys & Girls Club, City and ADEQ to determine need for additional wells, ongoing monitoring and appropriate follow-up actions, if needed

Validation

Soil Vapor Testing: Supplemental Plan

Flush Mount Soil Vapor
Monitoring Point



Goals of Supplemental Soil Vapor Monitoring Plan:

- Supplemental testing to provide address assurance to area residents
- Goal is to gain access to 3 additional appropriate monitoring locations

Whirlpool Offer Details

- Property owner to allow access to their property to conduct soil vapor monitoring required by Whirlpool per the RADD
- If requested, Whirlpool will provide sub-slab soil vapor or crawl space air monitoring at properties where soil vapor data is collected
- No release of any claims against Whirlpool will be required
- All testing conducted in accordance with EPA guidance
- \$10,000 one-time payment

Validation

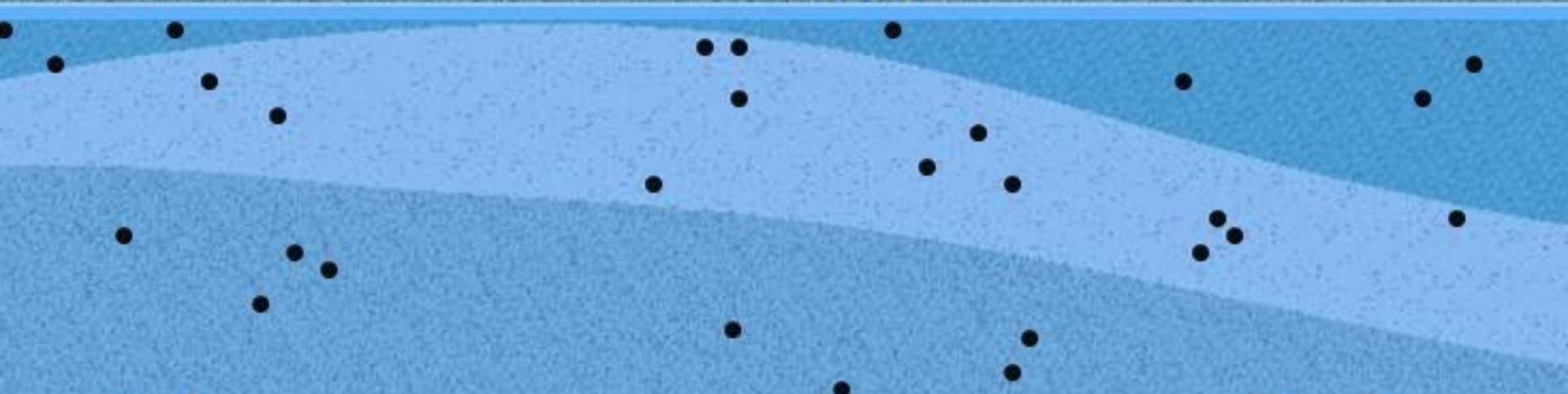
Indoor Air



Sub-Slab or
crawl space



Soil Vapor
Monitoring Well



Resolution

Significant Progress Toward Resolution with Residents

Ongoing commitment to treat residents fairly.

August

September

October

November

December

2015

Continued forward movement in work to achieve class resolution

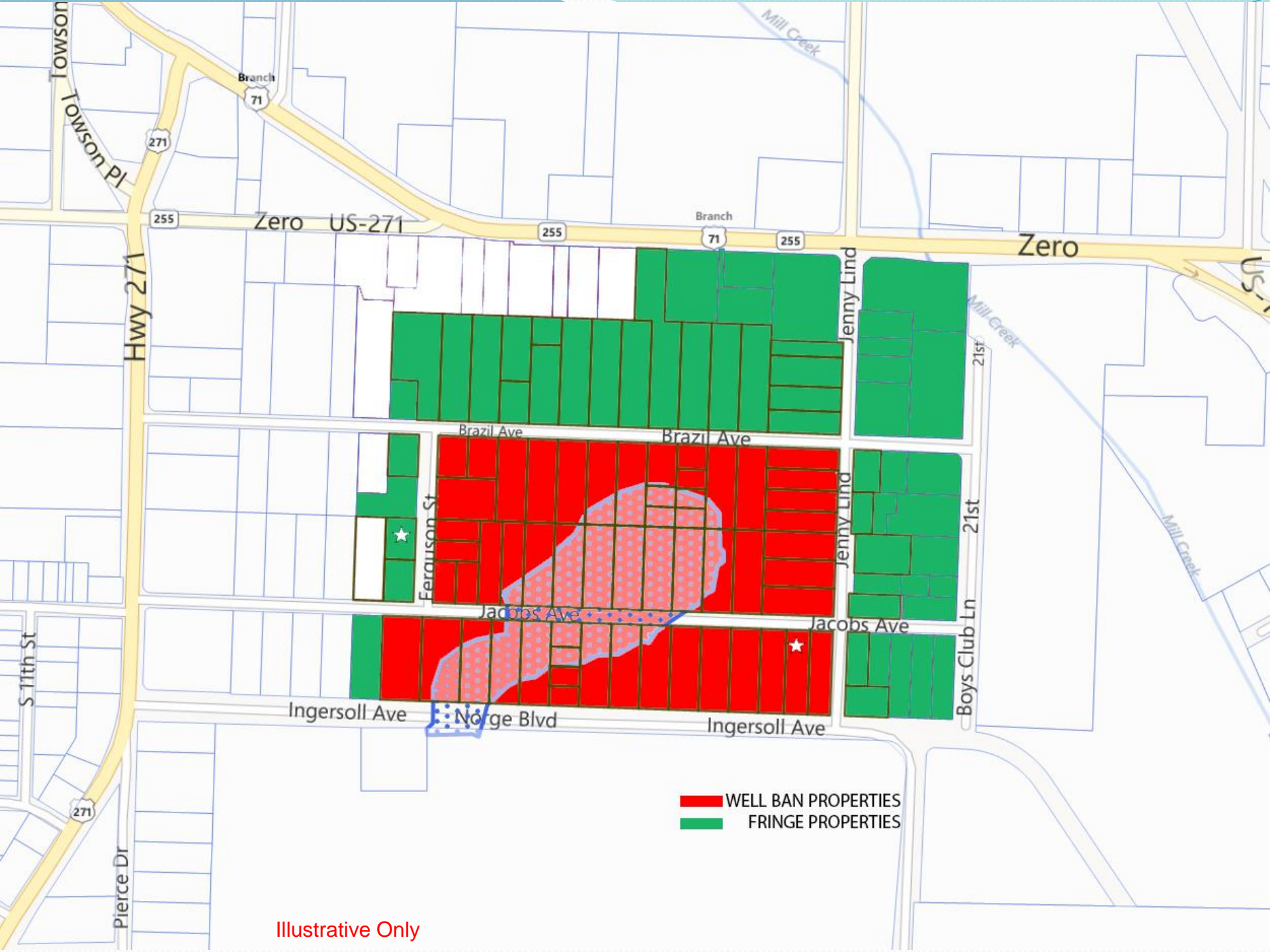
Preliminary hearing before Judge Holmes on Oct. 6

Asked court to approve class resolution, and enable process to continue to move forward.

Resolution

Commitment to Fair, Transparent Resolution

*Excerpts from Presentation
to Judge Holmes on Oct. 6, 2014.*



Well Ban Settlement Terms

Whirlpool Pays

100% Tax Assessor
devaluation
amount

100% Independent
Appraiser
devaluation (with
appeal)

PLUS 33% and all
costs

Property Owners Agree

Release property
claims

Allow reasonable
access for
testing/monitoring

Deed Restriction
on Drilling

Fringe Settlement Terms

Whirlpool
Pays

\$6650 Now

Future Option –
Similar to Well
Ban Subclass
Method

Property
Owners Agree

Agree to Future
Option

Settlement Damages Scenario



Westpfahl
1400 Brazil Ave.
Well Ban Property

| | |
|--|----------|
| Old Tax Assessment Value | \$51,100 |
| New Tax Assessment Value | \$22,050 |
| Tax Assessment Devaluation | \$29,050 |
| Plus 33% | \$9,587 |
| Total Compensation | \$38,637 |
| Percentage of Original Tax Appraised Value | 75.7% |

Litigation Damages Scenario



Westpfahl
1400 Brazil Ave.
Well Ban Property

| | |
|-----------------------------|--------|
| Old Tax | 58,000 |
| Assessment Value + 13.5% | |

| | |
|---------------|----------|
| Damages = 20% | \$11,600 |
|---------------|----------|

| | |
|-----------------|--------|
| Less fees (33%) | \$3828 |
|-----------------|--------|

| | |
|------------|--------|
| Less Costs | 10,000 |
|------------|--------|

| | |
|---------------------------------|-------------------------------|
| Net to Owner of 100% payment | LESS THAN ZERO |
|---------------------------------|-------------------------------|

| | |
|------------|-------------------|
| Difference | (\$38,637) |
|------------|-------------------|

“Home Run” Damages Scenario



Westpfahl
1400 Brazil Ave.
Well Ban Property

| | |
|-----------------------------|--------|
| Old Tax | 58,000 |
| Assessment Value + 13.5% | |

| | |
|-----------------|----------|
| Less fees (33%) | \$19,140 |
|-----------------|----------|

| | |
|------------|--------|
| Less Costs | 10,000 |
|------------|--------|

| | |
|---------------------------------|----------|
| Net to Owner of 100% payment | \$28,860 |
|---------------------------------|----------|

| | |
|------------|------------|
| Difference | (\$10,000) |
|------------|------------|

Resolution

Commitment to Fair, Transparent Resolution

*Full transcript from Oct. 6 2014 hearing
available through court or at
WhirlpoolFortSmith.com*



Redevelopment

**Warehouse: Sale
Completed**

E



**Land donations on
Jenny Lind and
Ingersoll completed**

Jenny Lind Road

Ingersoll Avenue



**Factory: In
discussions with
multiple interested
buyers**

**Area 1: Whirlpool intends
to retain control to
completion remediation**



Warehouse Sale



Key Facts

- Sale closed on September 26
- Included 53-acres and nearly 620,000 sq. ft warehouse
- Spartan Logistics – leader in supply chain solutions
 - 25 years experience
 - 260 employees and operations in 19 cities
 - Site proximity to interstates enables one-day shipping to Texas, Oklahoma and Louisiana
 - Planning investments in property - toward license for food-grade products
- Fort Smith city leaders helped to facilitate the sale

Looking
Forward

Next Steps Toward Continued Progress

October

November

December

January

Plan

The
Adaptive
Remedy
Process

Act

Do

Check

- *Mid October*: Install permanent monitoring wells near Northeast Corner (i.e. Boys & Girls Club)
- *Late October*: Complete Active remedy in Area 1
- *Late October / Early November*: Anticipate ruling from Judge Holmes on preliminary approval of class resolution
- *Mid-November*: 3rd Quarter 2014 Progress Report
- *Late November / Early December*: Northeast Corner Final Report
- *Mid-January*: 2014 Annual Report

Together with help from you and ADEQ, we have made *forward progress in all areas* over the last year.

&

Whirlpool *remains committed* to staying in Fort Smith until this issue is resolved.

For additional information, visit

WWW.WHIRLPOOLFORTSMITH.COM