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TEXAS COMMISSION ON ENVIRONMENTAL QUALITY

Protecting Texas by Reducing and Preventing Pollution

July 25, 2003

Mr. Arthur J. Anderson
Winstead Seachrest & Minick, P.C.
1201 Elm Street, Suite 5400
Dallas, TX 75270-2199

Re: Harvey Industries Proposed State Superfund Site
Henderson County, Texas

Dear Mr. Anderson:

We are writing you in response to your request for an update on the Harvey Industries Proposed State Superfund Site.

The Texas Commission on Environmental Quality (TCEQ) Contractor began the Remedial Investigation (RI) in March 1996. Two phases of investigation were conducted. Samples were collected from surface soils, subsurface soils, groundwater, surface water and sediments. A baseline risk evaluation (BRE) was completed for the Harvey Industries site in August 2001.

The data from the remedial investigation at the site were evaluated in the BRE to determine whether additional remedial action or investigation was needed. The BRE concluded that no further action is required for surface soils, subsurface soils, and sediments at the site. However, it was determined that certain constituents in groundwater were above cleanup goals.

In October 2001, after completion of the BRE, a more stringent standard for arsenic in groundwater was adopted by the U.S. Environmental Protection Agency (EPA). The new EPA standard reduces the arsenic standard in groundwater from 50 parts per billion (ppb) to 10 ppb. Therefore, further investigation was necessary in order to re-evaluate and revise the groundwater constituents of concern (COCs). A focused groundwater investigation was performed in February of 2002 using the Texas Risk Reduction Program (TRRP) rules, 30 Texas Administrative Code, Chapter 350.

In addition to confirming the presence of arsenic in groundwater at levels greater than the new standard, the results of the focused groundwater investigation also revealed the presence of cadmium in a down gradient off-site well above cleanup goals for the site. Semi-annual groundwater sampling events are being conducted. In conjunction with the April 2003 groundwater sampling event, geochemistry data were also collected to evaluate the geochemical processes in groundwater

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occurring beneath the site. The preliminary conclusion drawn from the analysis of the geochemical and metal analysis indicate that reductive dissolution is causing the elevated dissolved metal concentrations in the groundwater beneath the site. Currently, the TCEQ RI Contractor is working to install additional monitoring wells to delineate the off-site groundwater contamination.

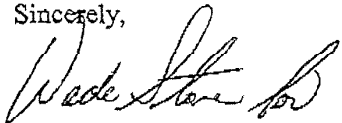
During the focused groundwater investigation, it was discovered that the on-site Class II landfill was generating significant amounts of landfill gas (methane). The Landfill Gas Survey, completed in June 2002, determined that the methane was accumulating in the subsurface in and around the landfill area.

The TCEQ Contractor recently completed a subsequent landfill gas survey to determine the offsite soil vapor concentration at the northern and western site boundary and to determine volatile organic compound concentrations of the landfill gas.

Finally, the TCEQ has recently contracted with an engineering firm to begin evaluation of remedial alternatives to address groundwater contamination and management of the landfill gas within the on-site Class II landfill. The TCEQ anticipates that a proposed remedial action plan recommending the remedy for the Harvey site will be published sometime late this year or early next year.

If you should have any questions or require further information regarding this site, please feel free to call me at 512-239-2443.

Sincerely,



Fay Duke, Project Manager
Superfund Cleanup Section

FD/mmw

cc: Phillip Shepherd, Trustee, Greenwall Liquidating Trust
Shawn K. Brown, Chapter 11 Trustee for Lorax Corporation
Thomas Edwards, Texas Attorney General's Office