



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY

REGION 7  
901 NORTH 5TH STREET  
KANSAS CITY, KANSAS 66101

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

Article No. 7006 2760 0000 8650 5132

28 MAY 2008

Kamyar Manesh, P.E.  
SELS Administrative Services, L.L.C.  
4400 College Blvd, Ste 350  
Overland Park, KS 66211-2326

Dear Mr. Manesh:

RE: Sale of Farmland Industries property in Lawrence, Kansas

The Environmental Protection Agency (EPA) Region 7 is aware that the bankruptcy trustees for Farmland Industries have participated in a number of recent meetings with officials from the City of Lawrence (City) regarding the upcoming sale of the former Farmland Industries facility property in Lawrence, Kansas (the Site). The purpose of this letter is to outline EPA's position with respect to the remaining Resource Conservation and Recovery Act (RCRA) corrective action requirements at the Site. Some of this discussion was conveyed previously to FI Liquidating Trust (FILT) in a letter dated March 30, 2007 (see enclosed).

The RCRA hazardous waste management permit originally issued to Farmland Industries had two distinct and separate parts. Part I, which covers post-closure care of the closed hazardous waste land treatment unit, or "Chrome Reduction System," is administered by KDHE. Part II, which covers corrective action requirements for a number of solid waste management units and an area of concern, is administered by EPA. EPA retains authority over the corrective action portion of the RCRA program because the State of Kansas is currently not authorized under RCRA for corrective action. The current RCRA permit for the Site is enclosed.

With respect to the former Farmland Industries facility, Part II of the permit still has requirements remaining to be performed. These requirements include, at a minimum, remedy selection, and implementation of an enhanced and/or new remedy. The scope of the cleanup will hinge to some extent on the redevelopment plans of the successful purchaser of the property; however, EPA expects that because of the extent of contamination in soil and groundwater through much of the site, long-term operation and maintenance of the site will likely be necessary for many years. Any change in ownership of a RCRA-permitted hazardous waste management facility typically would result in the issuance of a permit to the new owner, as required by 40 C.F.R. § 270.40, although other substantively equivalent instruments may also be employed.

Financial assurance is also a critical requirement of the RCRA corrective action process that ensures sufficient funds remain available for the anticipated lifetime of a remedy. Any financial assurance mechanism must meet the requirements of Subpart H of 40 C.F.R. Part 264, although alternative mechanisms may be used with EPA's approval if they provide an acceptable level of financial assurance.

EPA's primary objective in this process is to ensure the long-term protection of human health and the environment, regardless of which party ultimately purchases the facility property. Although we are optimistic that this objective can be achieved in a manner consistent with property redevelopment, To do so, EPA must be satisfied that any cleanup plan for the Site will be protective for current and anticipated future uses of the property and will be supported by an acceptable level of financial assurance over the lifetime of the remedy. EPA would like to have the opportunity to discuss options for meeting current and potential future federal environmental liabilities and obligations associated with the Site early in the auction development process. EPA's technical and legal staff are available to discuss these obligations at any time with prospective purchasers.

If you have any questions about this letter or about EPA's requirements for the site, I urge you to contact either Kurt Limesand in the RCRA Corrective Action and Permits Branch, at (913) 551-7184, or Alex Chen in the Office of Regional Counsel, at (913) 551-7962. We look forward to future discussions with the Trust and other interested agencies, parties, and stakeholders.

Sincerely,



Becky Weber, Director  
Air and Waste Management Division  
EPA Region 7

Enclosures

cc: William Ford  
City of Lawrence Lathrop & Gage, LC  
John Mitchell  
KDHE  
Larry Frazen  
Bryan Cave LLP  
Jim Redwine  
Shaw Environmental Liability Solutions, LLC