



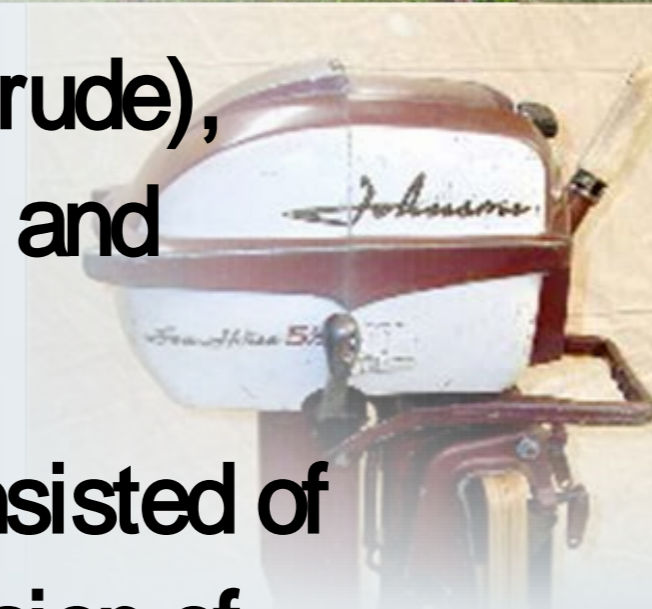
*Outboard Marine Corporation of Canada –  
Remediation Under Court Supervision or “An  
In-solvent Remediation”*

*Sean Salvatori, Andrew Wilson, Tom Grimminck, Dillon Consulting Limited  
John Tidball, Joe Marin, Miller Thomson LLP*

October, 2014

# OMC Canada History

- Operated from approximately 1913 to 1990 in Peterborough, Ontario
- Manufactured outboard motors (Johnson/Evinrude), lawnmowers (Lawnboy), chainsaws (Pioneer) and other small engines
- Facility decommissioned in early-1990s – consisted of partial demolition of the building and sub-division of the property
- A portion of the site is currently home to the Canadian Canoe Museum



The OMC logo consists of the letters 'OMC' in a bold, blue, sans-serif font. A registered trademark symbol (®) is located to the upper right of the letter 'C'.



# OMC Canada History

- Environmental investigations: 1989-2000
- East and West Source Areas
- East, West & Downgradient Plumes
- Remedial Action Plan based on management and control was developed in 1999 (groundwater extraction, risk assessment, monitoring, exposure and pathway control)



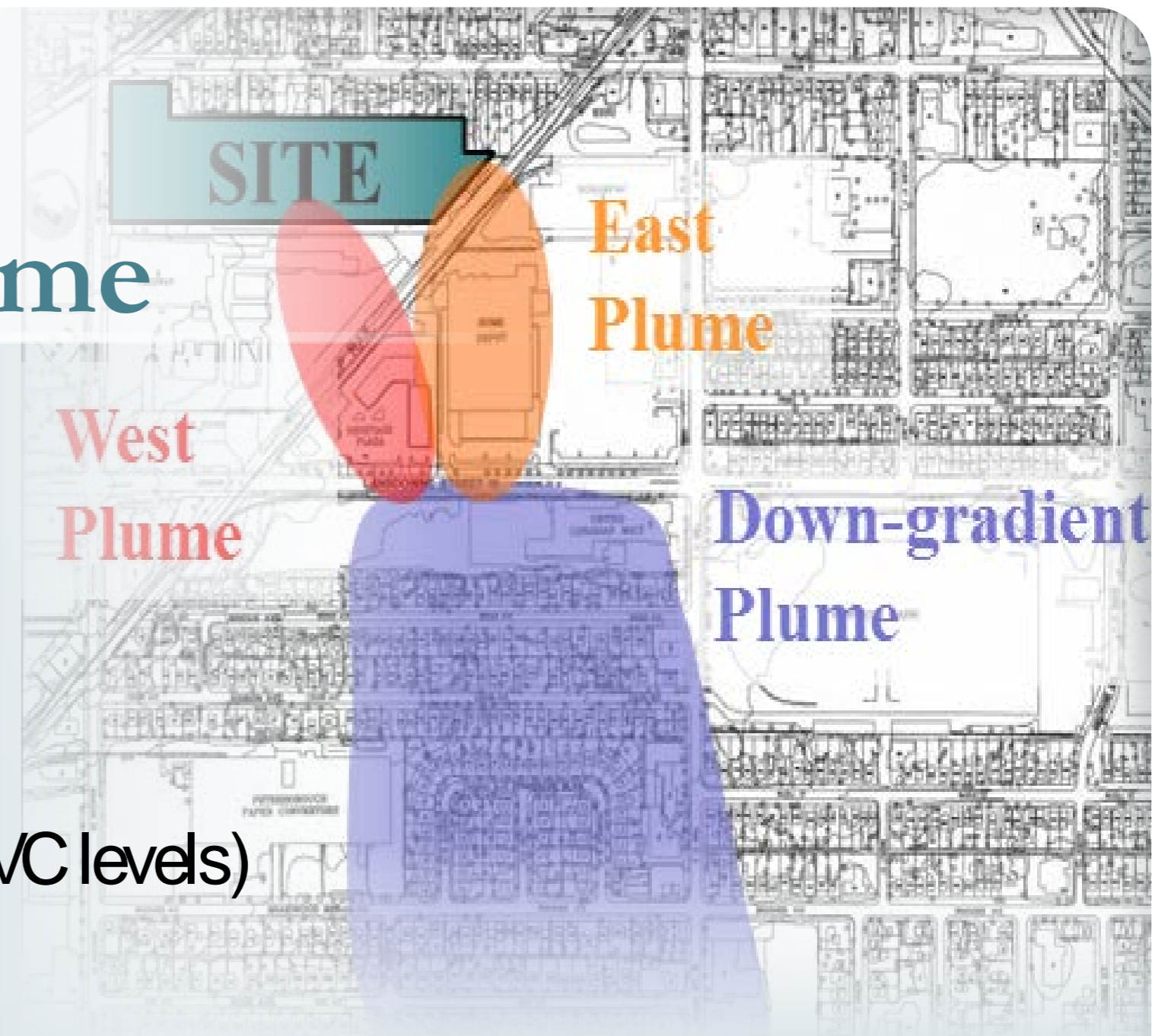
# OMC Canada Environmental Legacy - Source

- **West Source Area – DNAPL**
  - Chlorinated Compounds (TCE, VC)
- **East Source Area – LNAPL**
  - Petroleum Hydrocarbons
  - Chlorinated Compounds (TCE, VC); PCB



# OMC Canada Environmental Legacy - Plume

- **West Plume**
  - Narrow, relatively high TCE levels, minimum degradation to daughter products
- **East Plume**
  - Diffuse, lower TCE levels, degraded (higher VC levels)
- **Down-gradient Area Plume**
  - Co-mingled plume
- **Hydrogeology**



# OMC Canada The Phone Call

- December 23, 2000
  - *“OMC just laid everybody off”*
- December, 2000 – OMC(US) files for protection under Ch. 11 of the US Bankruptcy Code
- March, 2001 - OMC Canada granted Creditor Protection under Companies Creditors Arrangement Act – Ernst & Young appointed as Monitor
- August 2001 - OMC Canada Directors relieved of duties → no directing mind; no binding authority – no client



# OMC Canada Court Orders

E&Y, Legal Counsel (Insolvency and Environmental), Dillon, MOE develop Receivership arrangement in Fall 2001

November 2001, under court order:

- Dillon Consulting Limited appointed as “*Environmental Remediation Receiver*”
- Ernst & Young appointed as “*Disbursement Receiver*”





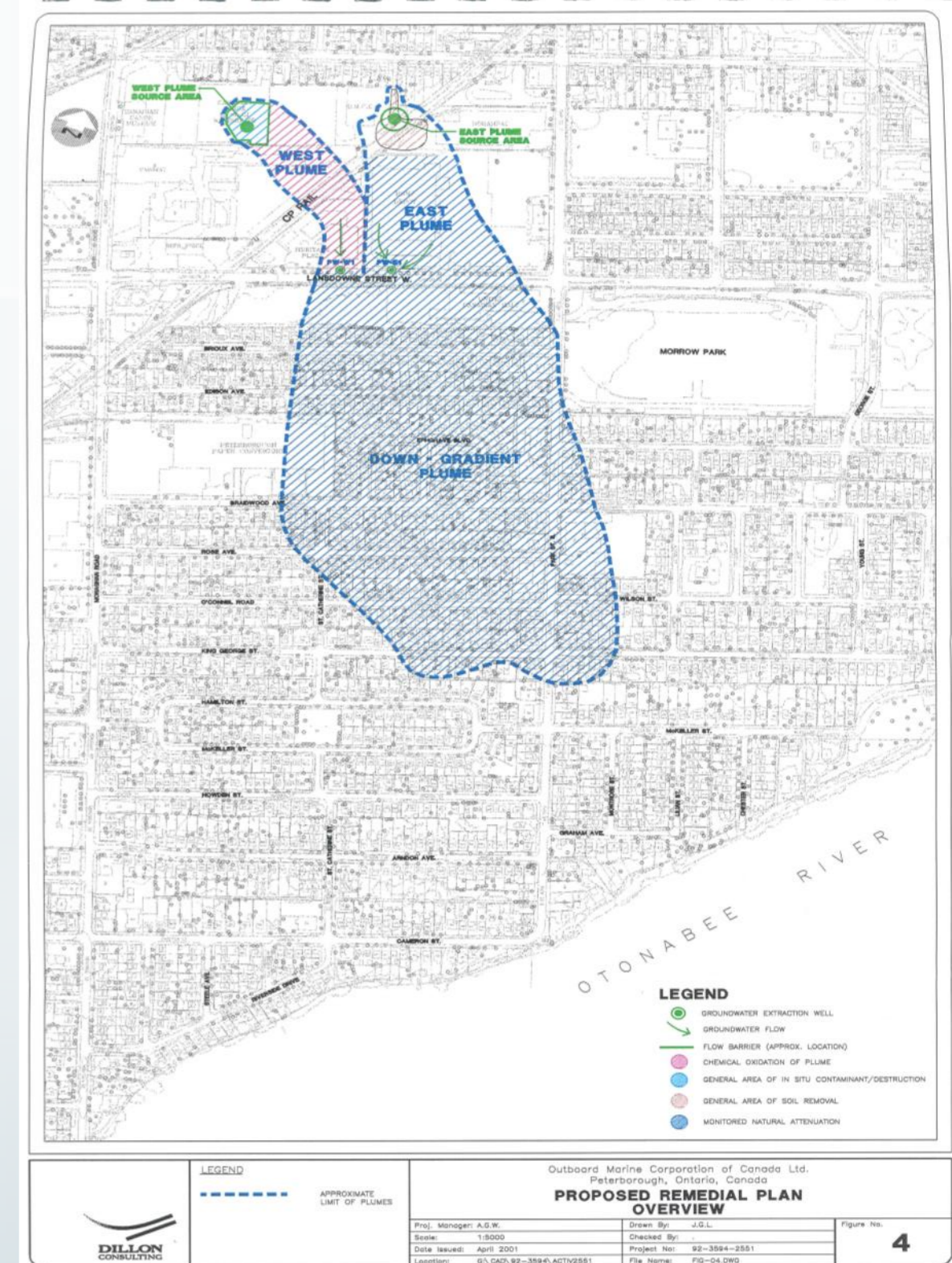
# OMC Canada Remedial Action Plan

April 2001 (pre-OCAA proceedings)

- Focused on Management and Control
- Long-term components
  - pump & treat, monitoring (groundwater, soil vapour)
  - Monitored Natural Attenuation

November 2001 (post -OCAA proceedings)

- Cleanup and /or Control of Primary Environmental Issues





# OMC Canada Remedial Action Plan

**Focus on:**

- 1) Control of West Source Area (Flow Barrier)**
- 1) Cleanup of East Source Area**
- 2) Cleanup of West Source Area**

**Meanwhile:**

**Continued groundwater and soil vapour monitoring**  
**Continued operation of hydraulic control systems**

**Funding Constrained**



# OMC Canada East End Excavation

- **PHC (including LNAPL), PCB**
- **Water Table and Unsaturated Zone Impacts**
- **Suitable for Excavation**
- **May to October 2001**
- **Groundwater flow barrier around perimeter**
- **Dewatering**
- **Excavation and Restoration**
- **Monitoring**





# OMC Canada East End Excavation

- Excavation of 42,000 tonnes of impacted soil to landfill as daily cover
- Removal of 2,500 litres of PCB impacted LNAPL
- Reuse of 15,000 tonnes of non-impacted soil
- Restoration of multiple properties (incl. rail line)
- A note on the residents



# OMC Canada West Source Area

- TCE and degradation products, PHC, PCB
- DNAPL source (est. 10,000 litres)
- DNAPL at aquifer/aquitard interface (7-10 mbgs)
- watertable 3 mbgs
- under a building (Canadian Canoe Museum Warehouse)



# OMC Canada West Source Area

- **Soil-Bentonite Barrier Wall**
- **DNAPL extraction and Hydraulic Control**
- **ElectroThermal Dynamic Stripping Process (ET-DSP)<sup>TM</sup> – with McMillan McGee**
- **Post Remediation Monitoring**
- ***“Remediation of a DNAPL Source Zone Using Electro-Thermal Dynamic Stripping Process<sup>TM</sup> in an in situ Electric Resistive Heating (ERM) Method (a Case Study)”***

# OMC Canada The Discharge

*“It is clear that a number of parties have been working cooperatively on this effort for a number of years, culminating in this request for an order which, among other things, releases and discharges the Environmental Remediation Receiver (Dillon)”*

IN THE MATTER OF the Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36; AND IN THE MATTER OF a Plan of Compromise or Arrangement of Outboard Marine Corporation of Canada Ltd.; AND IN THE MATTER OF the Courts of Justice Act, R.S.O. 1990, c.C.43

Court File No. 01-CL-4051

J. MARIN for DILLON.  
S. COUSON for MOE  
K. STIGLER for Ety.

March 25, 2013

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)  
Proceedings Commenced at Toronto

MOTION RECORD OF HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED BY THE MINISTRY OF THE ENVIRONMENT AND OF DILLON CONSULTING LIMITED, IN ITS CAPACITY AS COURT-APPOINTED ENVIRONMENTAL REMEDIATION RECEIVER  
(RETURNABLE MARCH 25, 2013)

CASSELS BROCK & BLACKWELL LLP  
Scotia Plaza  
40 King Street West, Suite 2100  
Toronto, ON M5H 3C2  
Deborah Grieve (LSUC#26202G)  
Tel: 416.860.5219 / Fax: 416.350.6923  
Lawyers For Her Majesty the Queen in Right of the Province of Ontario as represented by the Ministry of the Environment

MILLER THOMSON LLP  
600, 60 Columbia Way  
Markham, Ontario L3R 0C9  
John Tidball (LSUC #23277D)  
Tel: 905.415.6700 / Fax: 905.415.6777

MILLER THOMSON LLP  
5800, 40 King Street West  
Toronto, Ontario M5H 3S1  
Joseph Marin (LSUC #16957R)  
Tel: 416-595-8579 / Fax: 416-595-8695

BROWN BEATTIE O'DONOVAN LLP  
The City Centre Tower, 16<sup>th</sup> Floor  
380 Wellington Street  
London, Ontario N6A 5B5  
James R. Fisher (LSUC #16523W)  
Tel: 519-670-0400 / Fax: 519-679-6350  
Lawyers for Dillon Consulting Limited, in its capacity as Court-appointed Environmental Remediation Receiver

The motion proceeded unopposed. ~~It is~~  
It is clear that a number of parties have been working cooperatively on this effort for a number of years, culminating in this ~~order~~ request for an order which, among other things, releases and discharges the Environmental Remediation Receiver (Dillon). I am satisfied, having reviewed the record that the requested relief is appropriate in the circumstances.

9313058.1

The granted and order signed.





# OMC Canada Post Remediation

- MCE
  - Hydraulic Control Systems
  - Monitoring of Plume Concentrations
  - Soil Vapour / Indoor Air Quality Monitoring

**2014**

**Ongoing monitoring**

**Hydraulic control discontinued**



# OMC Canada The Tally

- 700,000,000 litres of contaminated groundwater treated
- East Source Area
  - 95% of source material removed
- West Source Area
  - 10,000 litres DNAPL Removed
  - 99% reduction in [TCE] in groundwater
- East & West Plumes
  - TCE et al. concentrations significantly reduced (> 95%)
  - Plumes no longer targeted for management or control



ONTARIO  
SUPERIOR COURT OF JUSTICE  
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.C. 1985, c. C-36

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF OUTBOARD MARINE CORPORATION OF CANADA LTD.

AND IN THE MATTER OF THE *COURTS OF JUSTICE ACT*,  
R.S.O. 1990, c.C.43

THIRTEENTH REPORT TO THE COURT  
OF DILLON CONSULTING LIMITED IN ITS CAPACITY AS  
ENVIRONMENTAL REMEDIATION RECEIVER  
March 15, 2013

Dillon Consulting Limited, the Environmental Remediation Receiver appointed by this Court to conduct Court-approved environmental remediation activities for and on behalf of Outboard Marine Corporation of Canada Ltd. ("OMC Canada"), hereby reports to the Court as follows:

Ernst & Young Inc. ("E&Y") was appointed as Disbursement Receiver (the "Disbursement Receiver") of certain property and assets of OMC Canada by Order of the





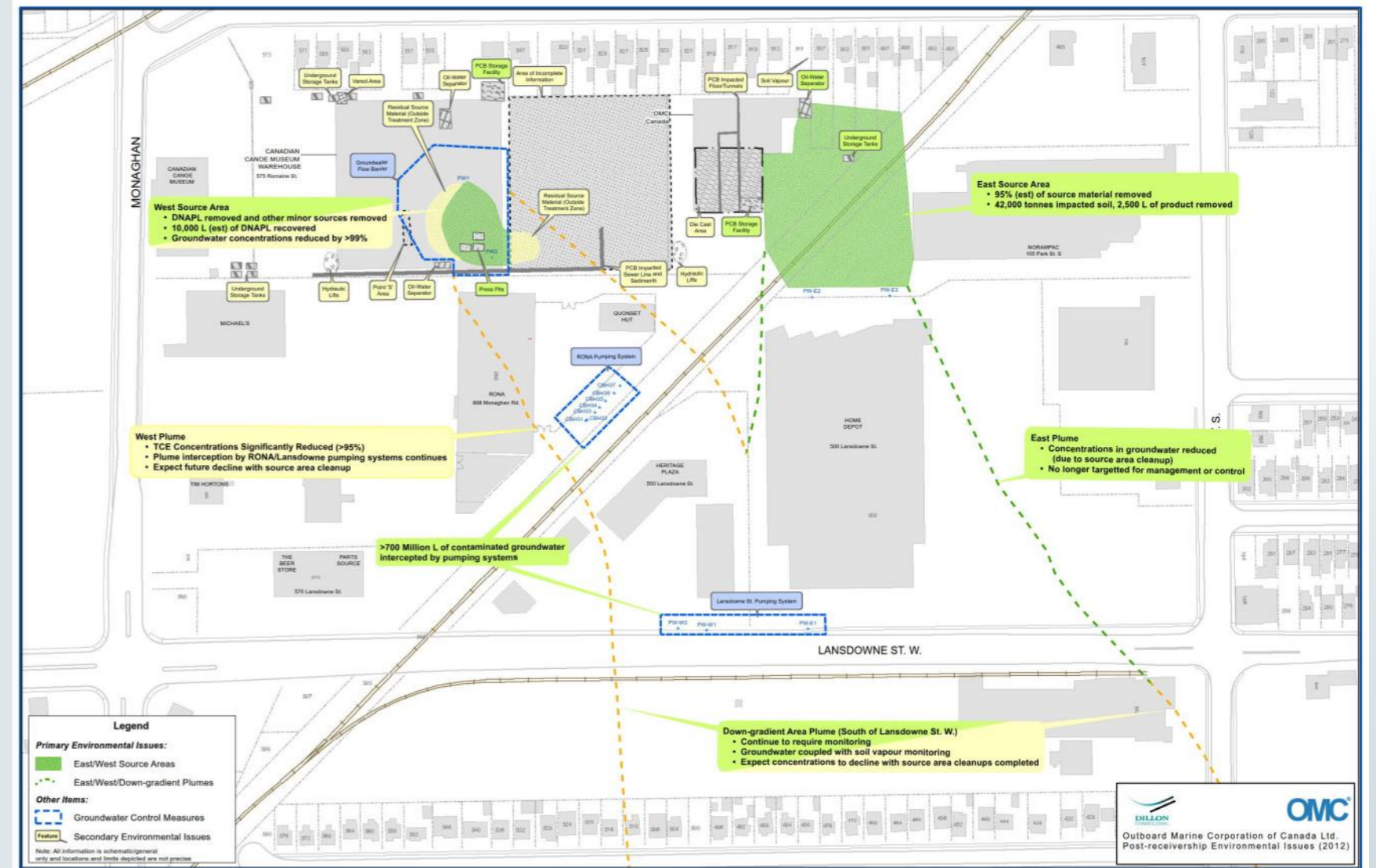
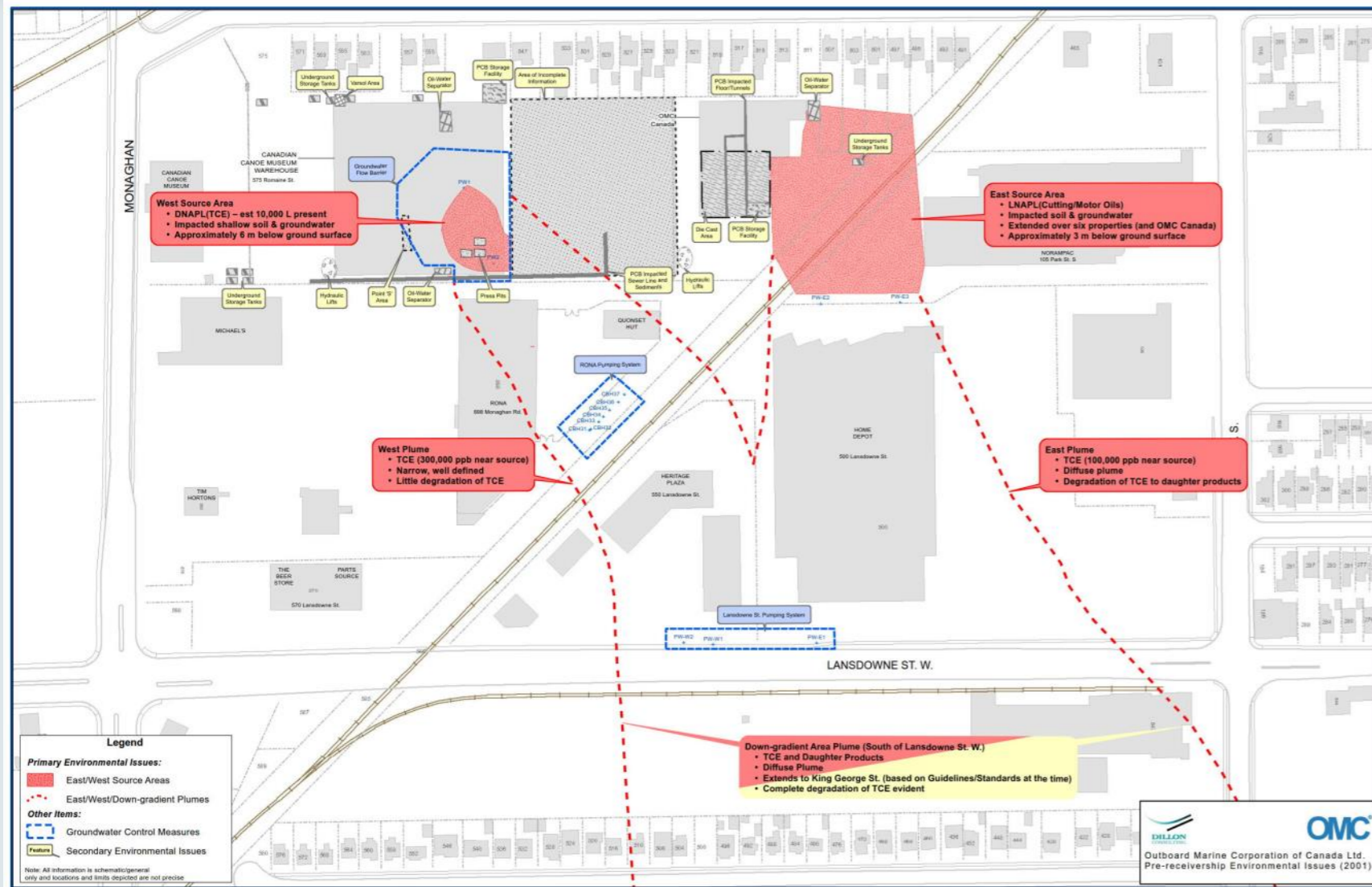
# OMC Canada The Tally

- **Down-gradient Area**
  - Groundwater plume still present
  - Require active monitoring (groundwater and soil vapour)
  - Expect to decline with source area cleanups complete
- **Significant drop in concentration of TCE and associated products in plume monitoring wells – maintaining low numbers years after cleanup (East Source 2002, West Source 2012)**





# OMC Canada The Tally





# OMC Canada The Tally (\$)



**1989 – 2001: Environmental Investigations, Development of Remedial Action Plan; Partial Implementation of Remedial/Control Measures - approximately \$1M (\$250,000 in outstanding A/R & WIP at time of OMC (US) filing)**

**2001 – 2013: Receivership Structure - Approximately \$16,733,886.08**

**2013: \$600,000 reserve disbursed to MOECC**

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.A. 1985, c. C-36

AND IN THE MATTER OF THE COURTS OF JUSTICE ACT,  
R.S.O. 1990, c.C.43

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF OUTBOARD MARINE CORPORATION OF CANADA LTD.

FIRST REPORT TO THE COURT  
OF DILLON CONSULTING LIMITED IN ITS CAPACITY AS  
ENVIRONMENTAL REMEDIATION RECEIVER

Dillon Consulting Limited, the Court-appointed Environmental Remediation Receiver of  
Outboard Marine Corporation of Canada Ltd. hereby reports to the Court as follows:

Outboard Marine Corporation of Canada Ltd. ("OMC Canada") was granted creditor  
protection under the Companies' Creditors Arrangement Act by an Order of the  
Honourable Justice Farley made March 9, 2001 (the "Initial Order"), in which Ernst &  
Young Inc. was appointed Monitor.

Environmental Matters

There is a Ministry of the Environment ("MOE") Director's Order outstanding against



# OMC Canada Lessons



IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
R.S.A. 1985, c. C-36

AND IN THE MATTER OF THE *COURTS OF JUSTICE ACT*,  
R.S.O. 1990, c.C.43

AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT  
OF OUTBOARD MARINE CORPORATION OF CANADA LTD.

**FIRST REPORT TO THE COURT  
OF DILLON CONSULTING LIMITED IN ITS CAPACITY AS  
ENVIRONMENTAL REMEDIATION RECEIVER**

Dillon Consulting Limited, the Court-appointed Environmental Remediation Receiver of  
Outboard Marine Corporation of Canada Ltd. hereby reports to the Court as follows:

Outboard Marine Corporation of Canada Ltd. ("OMC Canada") was granted creditor  
protection under the Companies' Creditors Arrangement Act by an Order of the  
Honourable Justice Farley made March 9, 2001 (the "Initial Order"), in which Ernst &  
Young LLP was appointed Monitor.

Environmental Matters

There is a Ministry of the Environment ("MOE") Director's Order outstanding against

**Opportunity is in the seams**

**Legal • Environmental • Accounting**

**Not a "traditional" project in any of the three areas**





# OMC Canada Lessons

## Preparedness meets opportunity

- **Unique situation**
  - Insolvent parent company but financially secure subsidiary (OMC Canada)
  - No secured/unsecured creditors in Canada
  - Engaged property owners
  - Engaged stakeholders
  - Financial Assurance
- **Viewed as an opportunity**





# OMC Canada Lessons

## Roles and Responsibilities

- **Additional roles**
  - Dillon: Consultant  $\Leftrightarrow$  Receiver
  - Ernst & Young: Monitor  $\Leftrightarrow$  Receiver
  - MOE: Regulator  $\Leftrightarrow$  Stakeholder
- **Relationships**
  - Regulatory agencies, property owners and stakeholders, contractors, lawyers, consultants





# OMC Canada The End

**Canadian Canoe Museum**

**Ontario Ministry of Environment and Climate Change**

**City of Peterborough**

**Canadian Canoe Museum**

**RONA, Home Depot, Norampac/Cascades**

**Canadian Pacific Rail**

**The Residents**

