

THE STATE OF SOUTH CAROLINA
In The Court of Appeals

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SC Court of Appeals

APPEAL FROM GREENVILLE COUNTY
Charles B. Simmons, Jr., Master-in-Equity

Appellate Case No. 2020-000669
Case No. 2016-CP-23-5905

Renewable Water Resources,..... Respondent,

v.

Insurance Reserve Fund, a Division of the
State Fiscal Accountability Authority of South Carolina,..... Appellant.

RECORD ON APPEAL - VOLUME 4 OF 5
(pp. 1388-1713)

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Certificate of Counsel

Certificate of Compliance

Regular Cost of Processing Solids for Land Application

Dry Tons for Stored Material

	Gallons of Stored Liquid Biosolids	% Solids from Liquid	Total Dry Tons Processed*
Pelham	2,460,620	3.8	389.9
Lower Reedy	2,458,879	2.72	278.9
Mauldin Road			
Rotary Press	3,494,193	2.26	329.3
Frame Press	7,189,203	3.69	1,106.2
Total	10,683,396	3.22	1,435.5

*Gallons x 8.34 pounds per gallon / 2,000 pounds per ton x % Solids

Dry Tons for Processing & Disposal of Ongoing Plant Flows

	Wet Tons from Belt Press	% Solids from Cake	Total Dry Tons Processed
Pelham	38,102	13.9	5,296.2
Lower Reedy	10,225	13.5	1,380.4
Mauldin Road	26,639	15.1	4,022.5

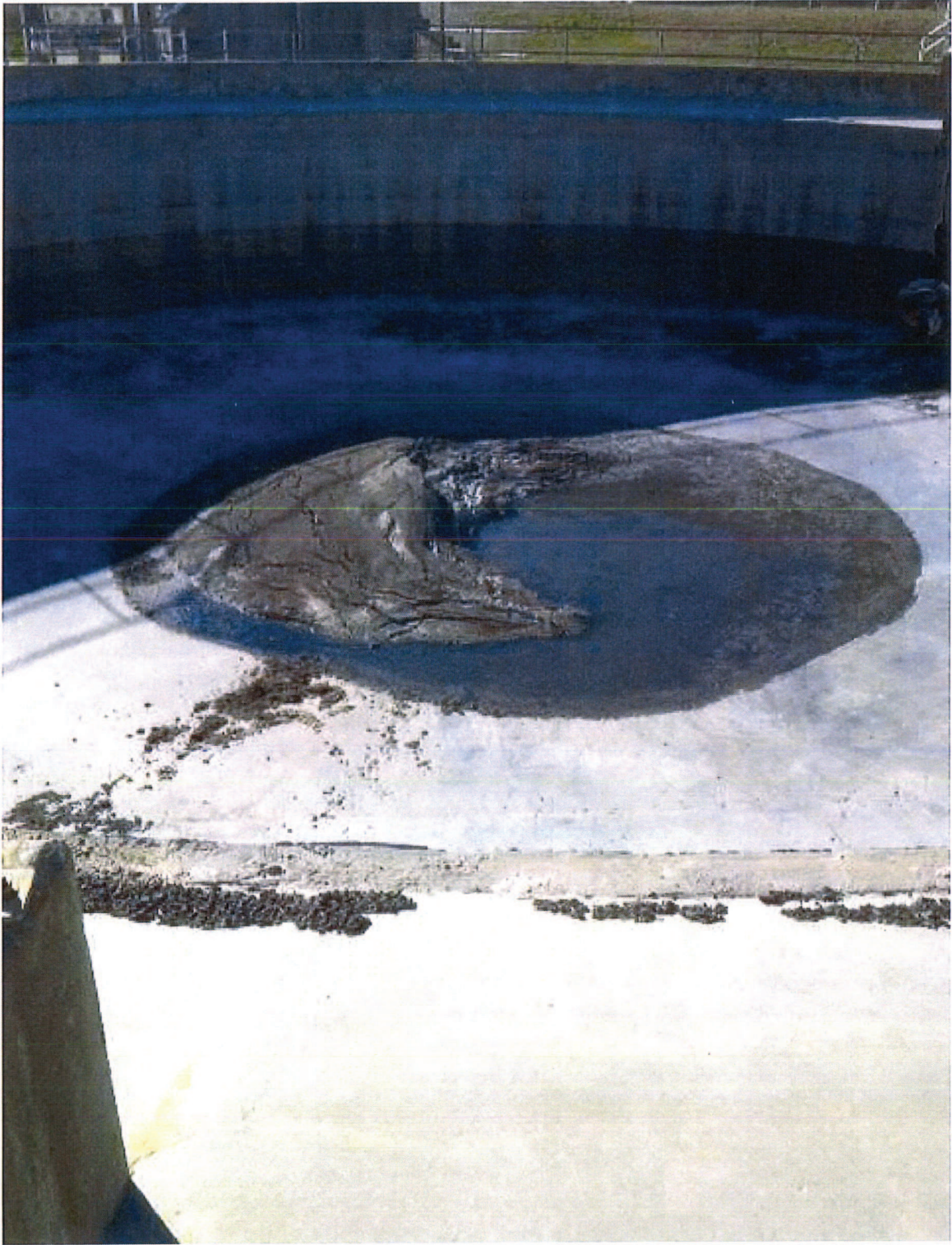
Cost Calculation

	Total Dry Tons	\$/Dry Ton	Cost
Pelham	5,686.1	174.18	\$ 990,404.90
Lower Reedy	1,659.3	243.33	\$ 403,757.47
Mauldin Road	5,458.0	205.55	\$1,121,891.90
TOTAL			\$2,516,054.27





NEHA AECOM 8/24/17

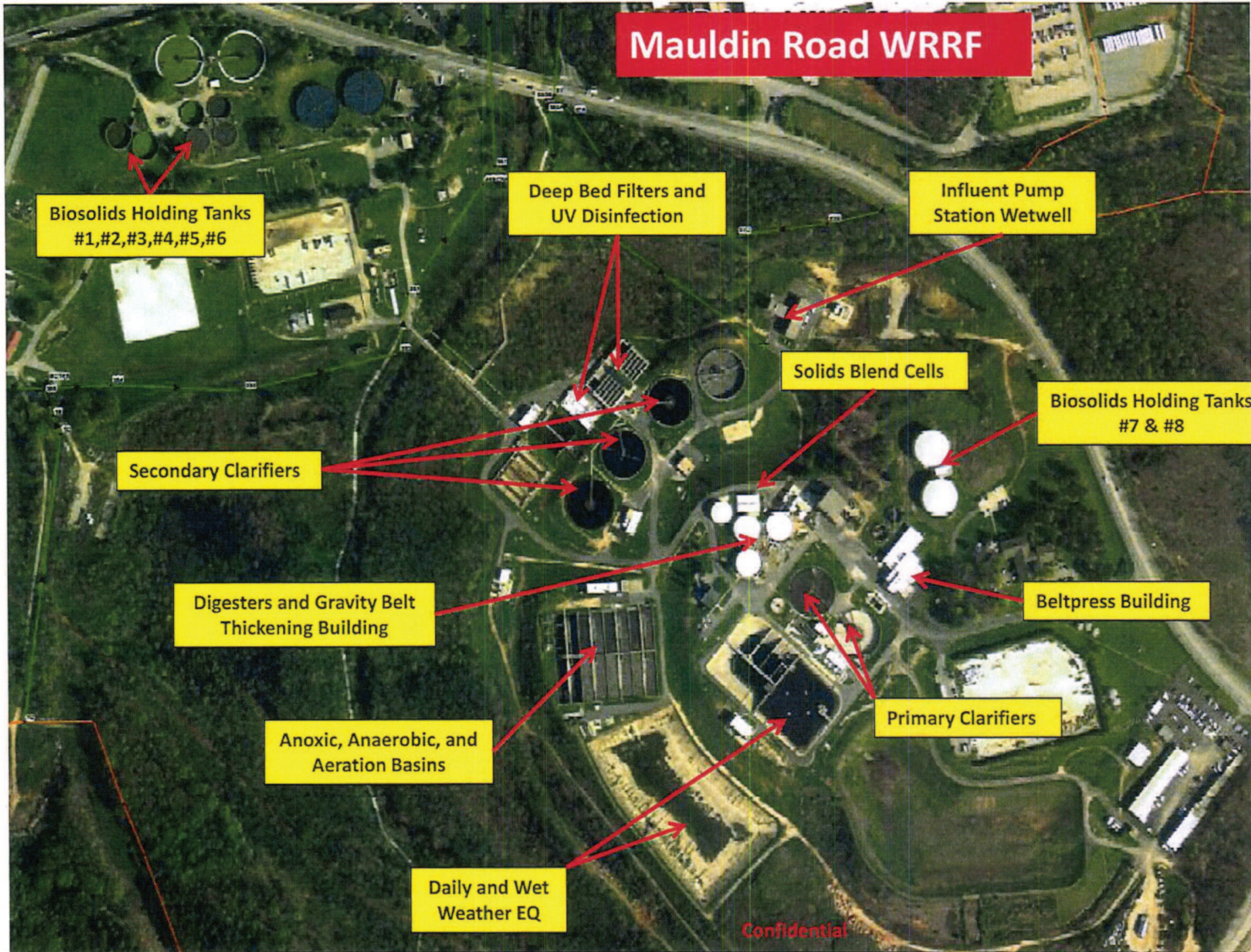


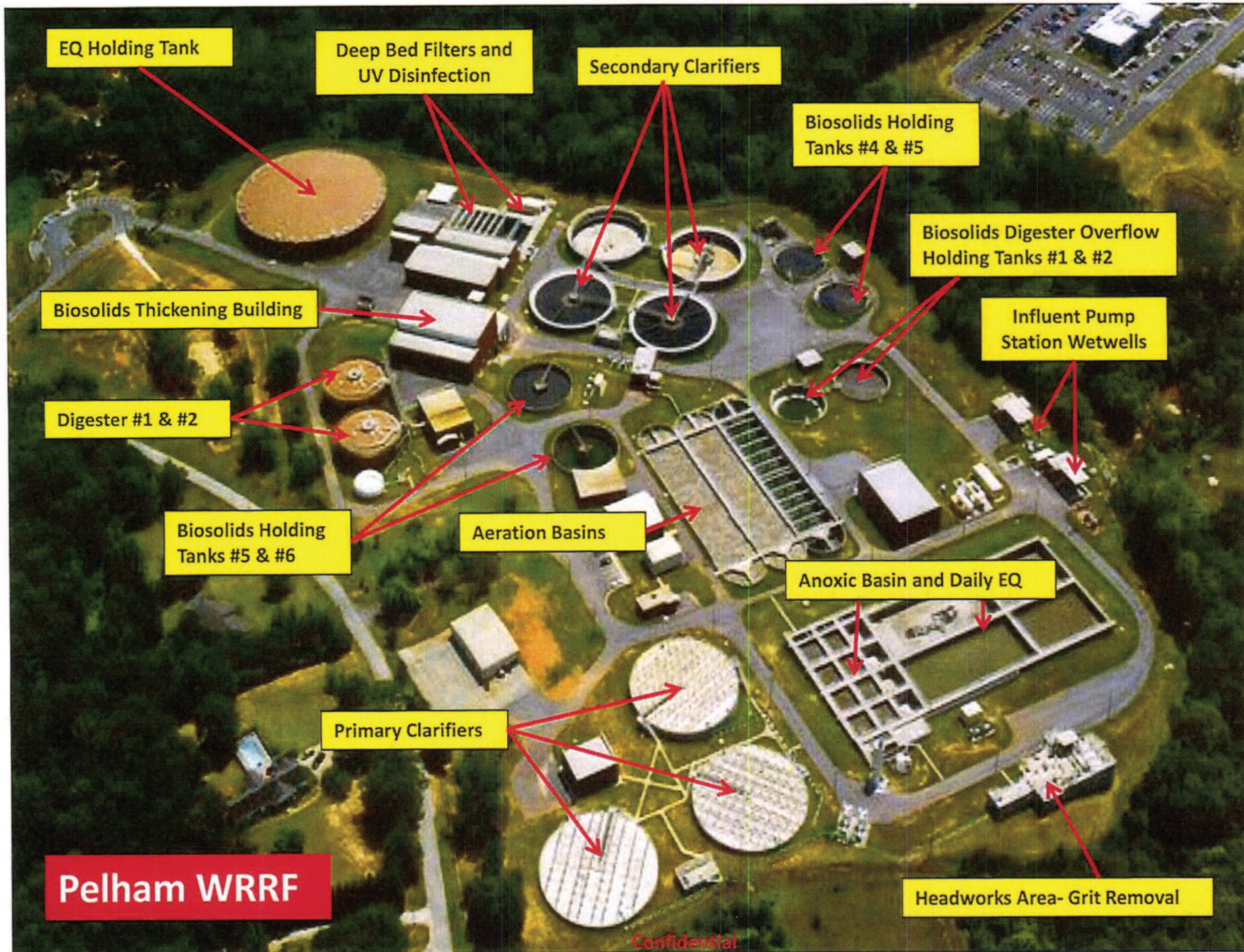
REWA AECOM_009250



REHARCON_00204









REWA v. IRF_000029



REWA v. IRF_000167



Decontamination of Biosolids Holding Tank

REWA v. IRF_000285

W. Thomas Lavender, Jr.
Member
Admitted in SC

February 11, 2015

HAND DELIVERED

Mr. Rob Byers
Claims Examiner II
Insurance Reserve Fund
S.C. Budget and Control Board
1201 Main Street, Suite 500
Columbia, SC 29201

Re: Renewable Water Resources
Claim Number 01078

Dear Mr. Byers:

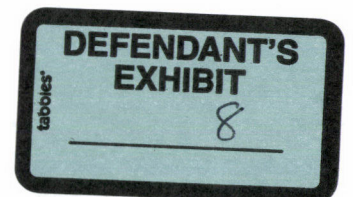
Charleston
Charlotte
Columbia
Greensboro
Greenville
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Myrtle Beach
Raleigh

Our firm represents Renewable Water Resources ("ReWa") in matters related to the presence of polychlorinated biphenyls ("PCBs") in its wastewater collection and treatment system. On behalf of ReWa, we are responding to your October 30, 2014 coverage position letter regarding the above-referenced claim.

As a preliminary matter, additional information regarding PCBs and the means by which PCBs came to be present in the ReWa system may be helpful in clarifying certain statements in your October 30, 2014 letter. PCBs are man-made materials which were manufactured and distributed in the United States from the late 1920s until the manufacture and sale of PCBs was banned by the federal Toxic Substances Control Act of 1976 ("TSCA"). Because of their heat transfer and dielectric properties and because they are relatively non-flammable, PCBs were widely used in a variety of industrial and commercial applications, including equipment in electrical distribution systems. While TSCA banned the manufacture and sale of PCBs, the law allowed continued use of certain PCB-containing equipment under certain conditions set forth in EPA regulations. PCB-containing equipment is not used by ReWa in its collection system or in its wastewater treatment equipment. PCBs are not found in the ReWa wastewater collection and treatment system unless introduced to the system by the illegal act of a third-party.

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SCBCB 000080

With respect to your analysis of coverage for ReWa's claim, we agree with your determination that the damage to ReWa's property was the result of vandalism and therefore constitutes a "Specified Cause of Loss" under Section F of Causes of Loss - Special Form. However, we disagree with the IRF's determination that ReWa's claim is subject to the limitations in a provision for **additional** coverage in Section A.4.d of the Building and Personal Property Coverage Form. Specifically, the costs incurred by ReWa to repair the damage caused by the illegal dumping of PCBs into the ReWa system cannot be characterized as "expense to extract 'pollutants' **from land or water.**" Expenses incurred by ReWa as a result of the illegal dumping have not been used to extract PCBs from land or water. ReWa discovered PCBs within its wastewater collection and treatment system which caused a disruption of normal operations, including its ability to utilize certain biosolids as a crop nutrient. ReWa incurred costs to remove the PCBs from and restore the equipment and facilities to their normal operating condition so that they could be placed back into service in addition to disposal costs to landfill the solid which were rendered unsuitable to application on crop land. As set forth below, such damages are covered under the Property and Personal Property Special Form ("Special Form") up to the coverage limits. For example, Segment 140 - Mauldin Road Plant is covered for the damages caused by the illegal dumping of PCBs up to \$116,533,869 at the time of the loss. Section A.4.d of the Building and Personal Property Coverage Form is not applicable to ReWa's claim because ReWa is not claiming damage to land or water. Moreover, a provision for additional coverage cannot be interpreted to limit that which is expressly provided under the terms of the policy.

The Causes of Loss - Special Form provides coverage for "RISKS OF DIRECT PHYSICAL LOSS" unless excluded therein. (Section A of Causes of Loss - Special Form). Section I.A.1.d of the Policyholder's Manual defines "Direct Physical Loss" as follows:

"Direct physical loss" means the policy covers all peril of direct physical loss or damage unless they are excluded or limited by the coverage form. The "Causes of Loss-Special Form" is used to provide coverage on property policies other than inland marine insurance. In addition, the specific perils of earthquake and flood are automatically added by endorsement.

(Policyholder's Manual, p. 1). Section I.2 further defines the property covered for direct physical loss or damage:

- i. Covered Property may be "Building", "Your Business Personal Property", or "Personal Property of Others."

“Building” includes the structure, outdoor fixtures, property which services the premises, completed additions and, if not covered by other insurance, alternations and repairs to the building. A covered building is scheduled on the Declaration page.

“Business Personal Property” applies to furniture and fixtures; machinery and equipment; all other personal property owned by the organization and used in the business; and the insured’s use interest as a tenant in improvements and betterments. Also insurable as business personal property is leased property for which you have a contractual responsibility to insure.

(Policyholder’s Manual, p. 1; see also Section A of the Building and Personal Property Coverage Form defining “Covered Property”).

As a result of the illegal dumping of PCBs into ReWa’s wastewater collection and treatment system, ReWa incurred expenses to remove the PCBs from the equipment and facilities and to restore the equipment and facility to normal use, as well as extra expenses associated with landfilling necessitated by the direct physical loss of such equipment. As requested by your adjustor, Fred Young, ReWa has been providing a monthly summary of these expenses which includes a breakdown of the total monthly costs incurred by Special Form Segment Number. Accordingly, the damages incurred by ReWa were for direct physical loss or damage to Covered Property and therefore covered up to the policy limits unless they are excluded or limited by the coverage form.

Damage to Covered Property, including damage caused by the release of “pollutants,” is expressly covered under the Causes of Loss - Special Form and covered to the policy limits in the Special Form when caused by vandalism. While the Causes of Loss - Special Form excludes certain damages caused “[d]ischarge, dispersal, seepage, migration, release or escape of ‘pollutants,’” this exclusion does not apply when such discharge is caused by a “specified cause of loss.” Section B.2.1 of the Causes of Loss - Special Form is an exception to the pollution exclusion and provides:

2. We will not pay for loss or damage caused by or resulting from any of the following:

* * *

1. Discharge, dispersal, seepage, migration, release or escape of “pollutants” unless the discharge dispersal, seepage, migration, release or escape is itself cause by any of the “specific causes of loss.” But if the **discharge, dispersal,**

Mr. Rob Byers
February 11, 2015
Page 4

seepage, migration, release or escape of “pollutants results in a “specified cause of loss,” we will for pay for the loss or damage caused by that “specified cause of loss.”

(Causes of Loss - Special Form, p. 2 (emphasis added)). This policy language unequivocally states that the exclusion does not apply “if the discharge, dispersal, seepage, migration, release or escape of “pollutants results in a ‘specified cause of loss.’” Section F of the Causes of Loss - Special Form defines “Specified Causes of Loss” as follows:

“Specified Causes of Loss” means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; **vandalism**, leakage from fire extinguishing equipment, sinkhole collapse, volcanic action; falling objects; weight of snow, ice or sleet; water damage.

(Causes of Loss - Special Form, p. 6 (emphasis added)). As acknowledged in your October 30, 2014 letter, the IRF’s review of ReWa’s claim included the IRF’s determination that the damages for which ReWa claims coverage were the result of vandalism. Therefore, the exclusion in Section B.2.1 of the Causes of Loss - Special Form does not apply to ReWa’s claim and ReWa’s claim for loss or damages resulting from the illegal dumping of PCB into its wastewater treatment and collection system is covered in the Special Form up to the policy limits for each Segment on the Declaration pages.

With respect to your determination that the coverage for each segment is limited to \$10,000 per 12 month period, the provision on which you base this determination is not applicable to ReWa’s claim. In the October 30, 2014 letter, you directed ReWa to the following policy language in Section A.4.d of the Building and Personal Property Coverage Form as the basis for the \$10,000 per segment per 12-month period coverage limit:

d. Pollutant Clean Up and Removal

We will pay your expense to extract “pollutants” from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the “pollutants” is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss occurs.

This **Additional Coverage** does not apply to costs to test for, monitor or assess the existence, concentration or effects of “pollutants”. But we will pay for testing which is performed in the course of extracting the “pollutants” from the land or water.

The most we will pay under this **Additional Coverage** for each described premises is \$10,000 for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

(Building and Personal Property Coverage Form, p. 2 (emphasis added)). As discussed above, this provision is not applicable to ReWa’s claim. Specifically, the costs incurred by ReWa to conduct repairs caused by the illegal dumping of PCBs into the ReWa system cannot be characterized as “expense to extract ‘pollutants’ **from land or water.**” None of the expenses incurred by ReWa as a result of the illegal dumping were used to extract PCBs from land or water. ReWa discovered PCBs within its wastewater collection and treatment system and incurred costs to remove the PCBs from and decontaminate the equipment in that system.

Additionally, and significantly, Section A.4.d Building and Personal Property Coverage Form is a provision under the Section identifying “**Additional Coverages.**” A provision for “Additional Coverages” cannot be cited as the basis for excluding coverage expressly provided for in the Causes of Loss - Special Form. A provision for “Additional Coverages” can only be interpreted to add to the coverage in the policy--not exclude or limit coverage otherwise provided under the terms of the policy. Indeed, Section A.2.b of the Policyholder’s Manual states as follows:

- b. ADDITIONAL COVERAGES **extend** the insurance provided **beyond** direct physical damage, and are automatic.

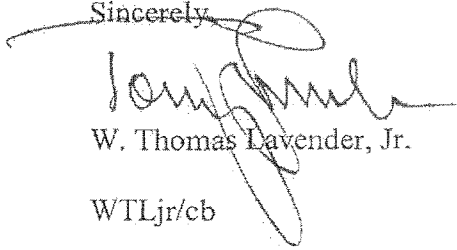
(Policyholder’s Manual, p. 2 (bold emphasis added)). This additional coverage is clearly something more than the coverage otherwise provided for in the policy. As discussed above, Section B.2.1 of the Causes of Loss - Special Form provides coverage for loss or damages caused by “the discharge, dispersal, seepage, migration, release or escape of ‘pollutants’” caused by vandalism. Section A.4.d of the Building and Personal Property Coverage Form is inapplicable to ReWa’s claim for loss or damages caused by the illegal dumping of PCBs into its wastewater collection and treatment system. Therefore, ReWa’s claim for loss or damage is covered up to the limits for each segment of the Covered Property in the Special Form.

Mr. Rob Byers
February 11, 2015
Page 6

By responding to your October 30, 2014 letter, we are not admitting to any facts or other information in the letter. We reserve all rights related to this matter, including the right to respond more fully at a later time.

We are available to discuss this claim with you at your convenience.

Sincerely,

A handwritten signature in black ink, appearing to read "W. Thomas Lavender, Jr.", with a large, stylized flourish extending from the end of the signature.

W. Thomas Lavender, Jr.

WTLjr/cb

Cc: ReWa

DEVLIN & PARKINSON, P.A.

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GREENVILLE, SC 29601

December 29, 2015

*ALSO ADMITTED IN GEORGIA

W. Thomas Lavender, Jr., Esq.
Nexsen Pruettt
P. O. Box 2426
Columbia, SC 29202

RE: Renewable Water Resources ("ReWa")
D&P File No.: 2015.0008

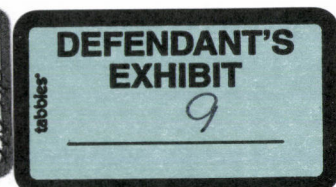
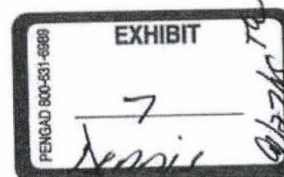
Dear Tommy:

Thank you for arranging the meeting with ReWa. The information shared by you and the ReWa executives was very helpful in understanding the process at each of the ReWa locations involved in the PCB clean-up efforts.

We have further reviewed the information that has been provided to us with a new and better understanding of the processes that were undertaken. In evaluating this claim, the IRF is looking for direct physical loss. Therefore, we need to be able to identify specific costs associated with actual decontaminating/cleaning of the equipment at each facility versus the cost per gallon to decontaminate/clean the equipment, water, solids, and biosolids collectively. More specifically, it is our understanding that the follow equipment/structures required cleaning:

- **Pelham:** biosolid storage tanks 3-6, biosolid wet well, digester overflow tanks 1 and 2, digester #1, influent pump station, and, equalization tank
- **Lower Reedy:** biosolid storage tanks 4 and 5;
- **Mauldin Road:** biosolid storage tanks 1-8, septage receiving station, and, influent pump station.

We need to determine the cost for cleaning the identified equipment/structures, along with any other equipment/structures that ReWa identifies as related to the PCB clean-up. The decontaminating/cleaning costs for the identified equipment/structures should not include the costs associated with decontamination/cleaning of water, sludge, and/or biosolids; storage of water; storage of sludge; storage of biosolids; and/or debris removal and disposal.



The IRF remains willing to review any information submitted by ReWa and looks forward to receiving the information requested herein. Thank you for your attention to this matter.

Yours very truly,



John R. Devlin, Jr.

JRDJ:llk

NEXSEN|PRUET

July 28, 2016

W. Thomas Lavender, Jr.
Member
Admitted in SC

FOR SETTLEMENT PURPOSES ONLY
SUBJECT TO RULE 408, SCRE

VIA ELECTRONIC AND U.S. MAIL

John R. Devlin, Jr., Esquire
Devlin & Parkinson, P.A.
27 Cleveland Street, Suite 201
Post Office Box 10387
Greenville, SC 29603

Re: *Renewable Water Resources ("ReWa")*
D&P File No.: 2015.0008

Dear John:

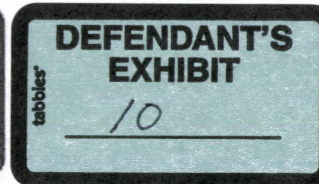
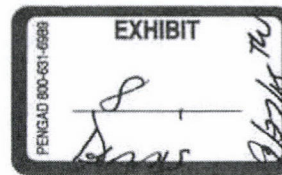
Charleston
Charlotte
Columbia
Greensboro
Greenville
Hilton Head
Myrtle Beach
Raleigh

By letter dated December 29, 2015, you requested information "to identify specific costs associated with actual decontaminating/cleaning of the equipment at each facility versus the costs per gallon to decontaminate/clean the equipment, water, solids, and biosolids collectively." You further stated that that "[t]he decontaminating/cleaning costs for the identified equipment/structure should not include the costs associated with decontamination/cleaning of water, sludge, and/or biosolids; storage of water; storage of sludge; storage of biosolids; and/or debris removal and disposal." As recently discussed, ReWa strongly disputes any direct or implicit argument that the "costs associated with decontamination/cleaning of water, sludge, and/or biosolids; storage of water; storage of sludge; storage of biosolids; and/or debris removal and disposal" are not covered as a "direct physical loss" under the policies issued to ReWa by the IRF. We also discussed ReWa's assertion that any damages not covered by its Building and Personal Property coverage would certainly be covered by its tort liability coverage.

All of the damage to ReWa's property is "direct physical loss" and all associated costs to restore the property are covered losses under the applicable Building and Personal Property Coverage Form, the Causes of Loss - Special Form, and

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John R. Devlin, Jr., Esquire
July 28, 2016
Page 2

the Policyholder's Manual. There is no basis for excluding the costs to manage the PCB-contaminated materials removed from the equipment and structures during the restoration process, including the costs to manage cleaning agents which became contaminated during that process. The equipment and structures identified in your letter are Covered Property under Building and Personal Property Coverage Form. The damage to Covered Property is covered under the Causes of Loss - Special Form and covered to the policy limits in the Special Form when caused by vandalism. IRF has acknowledged that the presence of PCBs in ReWa's collection and treatment system are the result of vandalism and thus covered to the policy limits by the Special Form. Indeed, if one of ReWa's tanks or buildings had been defaced with graffiti, the restoration of the Covered Property following this act of vandalism would require removal of paint and the proper disposal of all cleaning materials containing paint and solvents. All such costs would be covered under the Building and Personal Property Insurance as a direct physical loss. Similarly, all costs incurred in restoring ReWa's Covered Property, including the costs to manage PCB-contaminated materials removed from the equipment and structures, are covered up to the policy limits in the Building and Personal Property Coverage Form.

Finally, in addition to the coverage for cost of managing the PCB-contaminated materials removed from the Covered Property under the Building and Personal Property Insurance Form, these costs would also be covered as damages under the tort liability coverage in the policies issued to ReWa by IRF. Specifically, ReWa managed the PCB-contaminated materials removed from the equipment and structure pursuant to specific directives and regulatory requirements of the South Carolina Department of Health and the United States Environmental Protection Agency. Thus, ReWa was legally obligated to manage these materials pursuant to those governmental directives and regulatory requirements. Additionally, these costs are not excluded under the pollution liability exclusion since the damages were caused by an act of vandalism. Accordingly, under South Carolina law, these costs are clearly "damages" under the tort liability coverage afforded to ReWa by IRF.

Again, ReWa disputes any direct or implicit argument in your December 29, 2015 letter that "costs associated with decontamination/cleaning of water, sludge, and/or biosolids; storage of water; storage of sludge; storage of biosolids; and/or debris removal and disposal" are not covered losses. ReWa reserves all rights related to this matter, including the right to make further response to the letter at a later time. Additionally, we are not admitting to any facts or other information regarding the matters addressed in your December 29, 2015 letter or in this response.

John R. Devlin, Jr., Esquire
July 28, 2016
Page 3

In an effort to resolve this matter, ReWa is willing to accept a payment of Five Million and NO/100 Dollars (\$5,000,000.00) in full settlement of all claims related damage resulting from the introduction of PCBs into ReWa's system. We continue to appreciate the cooperative approach taken by your client. In furtherance of our efforts to avoid litigation, we request a meeting prior to the expiration of the tolling period under the Fifth Amendment to Tolling Agreement to further discuss settlement.

Sincerely,



W. Thomas Lavender, Jr.

WTLjr/dh

cc: Renewable Water Resources

NEXSEN|PRUET

Marcus A. Manos
Member
Admitted in SC, NC, DC

October 7, 2016

VIA ELECTRONIC MAIL

John R. Devlin, Jr., Esquire
DEVLIN & PARKINSON, PA
Post Office Box 10387
Greenville, South Carolina 29603-0837

Re: Renewable Water Resources/Insurance Reserve Fund
Claim No.: F01078
Date of Loss: About August 23, 2013

Dear John:

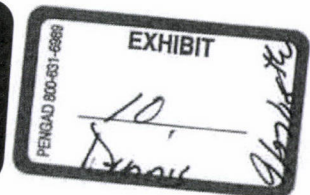
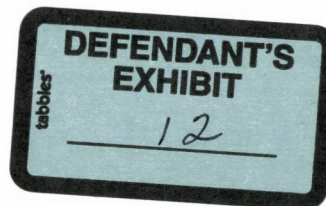
As a follow-up to your communication yesterday regarding your client's belief that there is no "realistic resolution available to us within the terms of the policy," we make one final demand on behalf of our client, Renewable Water Resources ("ReWa"). ReWa renews its demand for coverage, indemnification and a defense for losses and costs of defense incurred in the above referenced claim and incidents. ReWa seeks coverage from your client, under both the Building and Personal Property Policy and the General Tort Liability Policy included in the package of policies with Common Declarations issued by the Insurance Reserve Fund (the "Fund") to ReWa. ReWa paid all relevant premiums. ReWa does not seek duplicative recovery and will work with the Fund to allocate benefits appropriately between the policies if both cover the same element of loss.

Charleston
Charlotte
Columbia
Greensboro
Greenville
Hilton Head
Myrtle Beach
Raleigh

ReWa renews its demands for coverage and indemnification for its repair and restoration of its equipment and components/facilities utilized for waste water treatment at three sites under the Building and Personal Property Policy No. F130230114 and F130230115 (and identical prior policies as relevant). The Building and Personal Property Policy listed the three sites where equipment, machinery and components used by ReWa for waste water treatment suffered damage as: (1) Segment 90, Pelham Waste Treatment Plant; (2) Segment 130, Lower Reedy Plant; and (3) Segment 140, Mauldin Road Plant. ReWa demands coverage, indemnification and defense costs for complying with the directives of the South Carolina Department of Health and Environmental Control (DHEC) and the United

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Nexsen Pruet, LLC
Attorneys and Counselors at Law



John R. Devlin, Jr., Esquire
October 7, 2016
Page 2

States Environmental Protection Agency (EPA) arising out of the above referenced loss and incidents under General Tort Policy Nos. T130230114 and T130230115 (and identical prior policies as relevant).

As you know, in 2013, ReWa discovered that one or more third parties illegally introduced polychlorinated biphenyl (PCB) containing material into ReWa's wastewater collection and treatment systems. Investigations by law enforcement, DHEC and EPA provide evidence that Tim Howard of American Waste Septic Tank illegally dumped PCB contaminated materials at several points in ReWa's waste water collection system which ultimately impacted at least two of its treatment systems. ReWa actually discovered PCB contamination at three of its facilities. As required by law, ReWa informed EPA and DHEC. EPA and DHEC specified clean-up and restoration procedures required by law. The agencies required ReWa to develop and implement a remediation plan to achieve acceptable regulatory cleanup levels prior to returning the equipment and components to service. The contaminated treatment components, machinery and equipment at the three sites could not be used for their intended purpose, wastewater treatment, until ReWa repaired the damage and restored the equipment and components.

Under the direction of the EPA and DHEC, ReWa expended in excess of \$8,000,000 to repair and restore the treatment machinery, components and equipment at the three sites to usable condition. ReWa has provided the Fund with a summary of these costs on an ongoing basis. The work required the removal and disposal of the PCB contaminated wastes in compliance with applicable laws and regulations. Without the removal, repair, restoration, and cleaning work, the treatment components, machinery and equipment could not continue to be used in ReWa's business. ReWa incurred legal and consulting fees and costs in responding the demands of EPA and DHEC.

In correspondence dated October 30, 2014 to Patricia Dennis from Bob Byers, the Fund noted that the PCB contamination and damage resulted from vandalism, a specified covered cause of loss. South Carolina cases find that the plain and ordinary meaning of vandalism in property insurance contracts means destruction or damage caused by an unlawful act of a third party. *King v. North River Ins. Co.*, 278 S.C. 411, 413, 297 S.E.2d 637, 638 (1982). The Business and Personal Property Policy provides, in pertinent part, that:

John R. Devlin, Jr., Esquire
October 7, 2016
Page 3

A. COVERAGE

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations cause by or resulting from any Covered Cause of Loss.

1. Covered Property

* * *

- b. Your Business Personal Property** located in or on the building described in the Declarations or in the open (or in a vehicle) within 1,000 feet of the described premises, consisting of the following unless otherwise specified in the Declarations or on the Your Business Personal Property-Separation of Coverage from:

- (1) Furniture and fixtures;
- (2) Machinery and equipment;
- (3) "Stock";
- (4) All other personal property owned by you and used in your business.

* * *

CAUSES OF LOSS – SPECIAL FORM

A. COVERED CAUSES OF LOSS

When Special is shown in the Declarations, Covered Causes of Loss means RISKS OF DIRECT PHYSICAL LOSS unless the loss is:

1. Excluded in Section B., Exclusions; or

* * *

B. EXCLUSIONS

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
2. We will not pay for loss or damage caused by or resulting from any of the following:

* * *

1. Discharge, dispersal, seepage, migration, release or escape of "pollutants" unless the discharge, dispersal, seepage, migration, release or escape is itself caused by any of the "specified causes of loss". But if the discharge, dispersal, seepage, migration, release or escape of "pollutants" results in a "specified cause of loss", we will pay for the loss or damage caused by that "specified cause of loss".

* * *

F. DEFINITIONS

"Specified Causes of Loss" means the following: Fire, lightning, explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

Courts across the country find policies containing similar "covered cause of loss" or "specified cause of loss" provisions for pollution damage to provide coverage

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for machinery, property, equipment and facilities damaged by pollutants. *See, e.g., Cincinnati Ins. Co. v. German St. Vincent Orphan Assoc., Inc.*, 54 S.W.3d 661 (Mo. App. 2001) (finding that release of asbestos contaminated fibers during floor stripper removal of vinyl flooring constituted pollution resulting from a "specified cause of loss" within an exception to the pollution exclusion and that building owner's property insurance would pay for the repair, cleanup, and removal of the contaminant which prevented the building from being useable); *Haas v. Audubon Indemnity Co.*, 722 So.2d 1022 (La. App. 1998) (finding that release of asbestos contamination resulting from vandalism during theft of pipes in connection with a flood resulted in pollution from a specified cause of loss not excluded caused by vandalism and was covered by property insurance for repair, cleanup, and disposal of asbestos contamination and awarding penalties and attorneys' fees for bad faith), *aff'd in part, rev. in part*, 737 So.2d 736 (1999) (affirming finding of non-excluded coverage for cleanup and repairs and disposal of contamination but reversing award of attorneys' fees for bad faith); *Sentinel Mgt. Co. v. New Hampshire Ins. Co.*, 563 N.W.2d 296 (Minn. App. 1997) (asbestos contamination released from insulating materials in apartment buildings was fortuitous and caused a direct physical loss as it prevented the buildings from being used for human habitation and repair, remediation and disposal was paid for under property insurance policy); *Brian Chuchua's Jeep, Inc. v. Farmers Ins. Group*, 10 Cal. App.4th 1579, 13 Cal. Rptr.2d 444 (1992) (under an earthquake property damage policy, court found that cleanup and disposal as well as remediation covered expenses for leaking underground gasoline tank was covered under business premises earthquake policy notwithstanding pollution exclusion endorsement as it was caused by a specified covered loss); *Oregon Shakespeare Festival Ass'n v. Great American Ins. Co.*, Case No. 1:15-cv-01932-CL (U.S. D. Or., June 7, 2016) (2016 WL 3267247) (Cleanup, removal and disposal of contaminated HVAC, furniture, fixtures, and equipment from smoke, ash and debris of nearby wildfire covered under identical policy language as building and personal property damage when unusable for intended purpose).

While none of these cases originate in a South Carolina court, all the states apply similar principles. In South Carolina, an ambiguity in an insurance policy will be construed in the insured's favor to find coverage. *Greenville County v. Ins. Reserve Fund*, 313 S.C. 546, 547, 443 S.E.2d 552, 553 (1994); like the courts in these other jurisdictions, South Carolina courts construe policies in favor of coverage and exclusions are construed narrowly, against the insurer. *M&M Corp. of S.C. v. Auto-Owners Ins. Co.*, 390 S.C. 255, 259, 701 S.E.2d 33, 35 (2010). Similarly, insurance policies in South Carolina are construed in favor of coverage and strictly construed against the insurer while exclusions are always most strongly construed against the

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insurer. *American Credit of Sumter, Inc. v. Nationwide Mut. Ins. Co.*, 378 S.C. 623, 628-29, 663 S.E.2d 492, 495 (2008). PCB contamination introduced into ReWa's waste water treatment equipment, machinery, and components located in its covered buildings under the Business and Personal Property insurance policy occurred directly as a result of vandalism, a wrongful act by a third party, in releasing PCB into the system in violation of the rights of ReWa and others. The presence of the PCB contamination made the equipment, machinery, and components unusable for the intended purpose of waste water treatment. Only with repair, cleanup, removal, and legal disposal of the waste could the business personal property be restored to use.

Applying these facts to the well-settled principles of insurance contract construction in South Carolina, it is clear that the Fund's business and personal property coverage applies to pay the full cost of repair, remediation, cleanup, and disposal of the PCB damaged equipment, machinery, and components.

A refusal to provide coverage when these legal principles and facts are clear, constitutes an unreasonable or bad faith denial under S.C. Code Ann. § 38-59-40. Even if the Fund attempts to apply overly technical construction, ignoring the case law, all expenses would be covered between the two policies.

The Business and Personal Property Policy language, legal principles of interpretation, and settled views of reviewing courts support a conclusion that the Fund should compensate ReWa under that policy for all of the repair, restoration, remediation, removal and disposal costs of the contamination caused by vandalism. The contamination physically injured the equipment, machinery and components making them inoperable for their intended purpose in ReWa's business.

The General Tort Liability Policy also provides coverage to ReWa. ReWa undertook the repair, restoration, remediation, cleanup, and disposal of the PCB contamination at the direction of DHEC and EPA. While ReWa believes the vast majority of its expenses should be covered under the Business and Personal Property Policy, ReWa incurred legal fees, consulting fees, and expenses related to negotiation with DHEC and EPA, defense of the potential claim, and compliance with DHEC and EPA directives. These expenses are not covered under the Business and Personal Property Policy, but are covered by the General Tort Liability policy.

John R. Devlin, Jr., Esquire
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The relevant portions of the General Tort Liability Policy appear below:

The Fund will pay on behalf of the insured all sums which the insured shall become legally obligated to pay as damages because of

* * *

B. Property Damage to which this applies caused by an occurrence.

* * *

DEFINITIONS

When used in this policy:

* * *

“Occurrence” means an accident, including continuous repeated exposure to conditions, which results in personal injury or property damage neither expected nor intended from the standpoint of the insured.

* * *

“Property Damage” means:

- (1) Physical injury to or destruction of tangible property which occurs during the policy period, including the loss of use thereof at any time result therefrom, or
- (2) Loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an occurrence during the policy period.

* * *

EXCLUSIONS

This insurance does not apply:

* * *

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- (f) to personal injury or property damage arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritant, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;

* * *

South Carolina courts have reviewed and interpreted language identical to the relevant definitions of occurrence, property damage, damages and claims along with the "sudden and accidental" pollution exclusion in various cases. An agency directive to an insured to clean-up contamination constitutes a covered claim for damages in South Carolina. *Helena Chemical Co. v. Alliance Underwriters Ins. Co.*, 357 S.C. 631, 635-641, 594 S.E.2d 455, 457-460 (2001).

The undisputed facts known to the Fund and ReWa, show that the PCB contamination came into ReWa's system by the wrongful act of a third party. DHEC and EPA under their authorizing statutes and governing regulations, commanded cleanup, remediation, and disposal of the waste. ReWa undertook to negotiate and defend the agency actions and ultimately complied, keeping the Fund informed at every step. Under well-settled South Carolina law, this constitutes an occurrence and property damage covered by the Fund's General Tort Liability Policy.

The "sudden and accidental" pollution exclusion contained in the contract between the parties does not apply. The term "sudden and accidental" as used in the Fund's policy creates an ambiguity, which the court strictly construes against the Fund. *Greenville County v. Insurance Reserve Fund*, 313 S.C. 546, 443 S.E.2d 552 (1994). The exclusion only applies if the contamination resulted from conduct by the insured intended and expected to cause pollution. The Supreme Court of South Carolina held that this very exclusion did not allow the Fund to escape from defending its insured from claims related to environmental contamination. *Id.*

The South Carolina cases follow a clear trend nationally. *See, e.g., United Nuclear Corp. v. Allstate Ins. Co.*, 285 P.3d 644 (N.M. 2012) (finding "sudden and accidental" pollution exclusion ambiguous and construed in favor of coverage for contamination resulting from opening of a dam releasing radioactive contaminated liquid as an emergency procedure to avoid breach); *California v. Allstate Ins. Co.*, 45 Cal.4th

John R. Devlin, Jr., Esquire
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1008, 90 Cal. Rptr.3d 1, 201 P.3d 1147 (2009) (if state can prove accidental release of contaminated material from waste disposal evaporation ponds then liability insurers must pay); *Home Indemnity Co. v. Hoechst Celanese Corp.*, 128 N.C. App. 189, 494 S.E.2d 774 (1998) (release of pollutant caused by a fire would be covered under a liability policy so long as pollution was not *de minimus* as compared to that caused by regular intentional operations by the insured).

ReWa demands full payment of its legal fees and other costs related to handling the claims made by DHEC and EPA.

ReWa kept the Fund informed throughout this process. ReWa made claims promptly upon receiving notice of PCB contamination placed into its system by a third party. As a result, ReWa believes the Fund received ample opportunity to analyze the facts of the situation and the insurance contracts. The Fund should be able to give a detailed response to this demand promptly. The Fund's current position that only the extended coverage pollution cleanup granted in the Business and Personal Property Policy applies, does not comport with the plain language of the policies nor the established interpretation of that language in court.

ReWa demands a response by close of business October 13, 2016 in light of the Fund's failure to agree to extend the tolling agreement now in place. The current tolling agreement between the parties expires October 17.

Sincerely,



Marcus A. Manos
Member

MAM/hjr

cc: Renewable Water Resources
W. Thomas Lavender, Jr., Esquire
Joan Hartley, Esquire

DEVLIN & PARKINSON, P.A.

ATTORNEYS AT LAW

JOHN R. DEVLIN, JR.
E. BROWN PARKINSON, JR.
CHRISTOPHER R. ANTLEY
LORI E. JOLLY*
CARTER R. MASSINGILL

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GREENVILLE, SOUTH CAROLINA 29603-0387
www.devlinparkinson.com

PHONE (864) 242-4080
FAX (864) 242-4277

STREET ADDRESS:
27 CLEVELAND STREET
SUITE 20
GREENVILLE, SC 29601

*ALSO ADMITTED IN GEORGIA

October 13, 2016

VIA ELECTRONIC MAIL & US MAIL

Marcus A. Manos
NEXSEN PRUET, LLC
P.O. Box 2426
Columbia, SC 29202
MManos@nexsenpruet.com

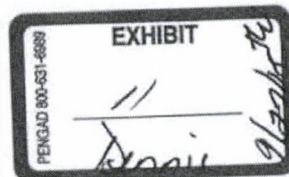
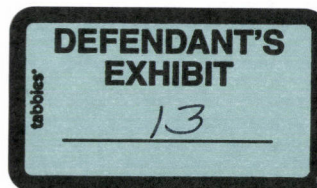
Re: Renewable Water Resources ("ReWa")
Claim No.: 01078

Dear Marcus:

Please accept this letter as our timely response to ReWa's October 7, 2016, demand for coverage, indemnification, defense for losses and costs of defense in relation to the above-referenced claim. Based on the information provided to the Insurance Reserve Fund ("Fund") by ReWa, it is not possible for the Fund to determine covered versus non-covered costs as submitted by ReWa; therefore, at this time, the Fund is not able to make any additional determination of coverage or payment in this matter.

As we have discussed on multiple occasions, with both counsel and ReWa representatives, the summary of costs submitted by ReWa is inclusive of all costs related to the PCB contamination. The summary of costs does not identify, nor provide the Fund with sufficient information to identify, costs that may be covered under the *Building and Personal Property Policy*. We have requested on multiple occasions that ReWa identify specific costs associated with the process of decontaminating/cleaning of the equipment at each facility versus a cost per gallon number that is inclusive of decontaminating/cleaning the equipment, water, solids, and biosolids collectively. To date that information has not been provided; therefore, the Fund is not able to determine the extent of coverage available under the *Building and Personal Property Policy*.

The Fund's request for information specific to decontamination/cleaning of equipment at each facility versus including water, solids and biosolids results from exclusions found in the policy. More specifically, the policy excludes from coverage land and water:



Building and Personal Property Coverage Form

A. Coverage

We will pay for direct physical loss of or damage to Covered Property at the premises described in the Declarations caused by or resulting from any Covered Cause of Loss. . . .

2. Property Not Covered

Covered Property does not include:

- (h) Land (including land on which the property is located), water, growing crops or lawns. . . .

I believe we are in agreement that a significant amount of the costs submitted by ReWa are in fact associated with cleaning the water and stored biosolids. Those costs associated with cleaning water and biosolids are excluded from coverage other than as provided in the additional coverage provided by *Building and Personal Property Coverage Form, A. Coverage, 4. Additional Coverages, d. Pollutant Clean Up and Removal.*

Additionally, the *Building and Personal Property Policy, Cause of Loss – Special Form* contains the following exclusion which applies in this matter to further exclude the additional costs associated with the PCB decontamination/clean-up required as a result of state and federal ordinances or laws:

Cause of Loss –Special Form

B. Exclusions

- 1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss:

- a. Ordinance or Law

The enforcement of any ordinance or law:

- (1) Regulating construction, use or repair of any property; or
 - (2) Requiring the tearing down of any property, including the cost of removing its debris.

This exclusion, Ordinance or Law, applies whether the loss results from:

- (1) An ordinance or law that is enforced even if the property has not been damaged; or
- (2) The increased costs incurred to comply with an ordinance or law in the course of construction, repair, renovation, remodeling or demolition of property or removal of its debris following a physical loss to that property.

Again, I do not believe there is any disagreement that complying with state and federal law significantly impacted the costs associated with this claim. The *Building and Personal Property Policy* provides an exclusion from coverage for those increased costs.

Where the Fund has been able to determine that coverage exists and has had sufficient information to offer payment of coverage, it has done so. More specifically, by letter dated October 29, 2014, Rob Byers offered \$30,000 (\$10,000 per segment for Pelham WTP, Lower Reedy Plant, and Mauldin Road Plant) for pollutant clean up and removal provided by *Building and Personal Property Coverage Form, A. Coverage, 4. Additional Coverages, d. Pollutant Clean Up and Removal*.

You stated in your letter that "contamination physically injured the equipment, machinery and components". To the extent that such physical injury occurred, the Fund again requests that the costs for repair to the physically injured equipment, machinery and components be parsed out from the total cost summaries that have been provided to the Fund. The Fund remains willing to review and consider any information provided by ReWa to address this outstanding inquiry.

With respect to ReWa's claim for coverage under its *Tort Liability Insurance Policy*, it is the Fund's position that compliance with state and federal laws and regulations in relation to the PCB clean-up, under the circumstances presented, is not covered under the policy, nor is it an occurrence within the policy. Further, the following exclusions apply to exclude coverage:

VI. Exclusions

This insurance does not apply:

- (f) to **personal injury or property damage** arising out of the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic

Marcus A. Manos
NEXSEN PRUET, LLC
October 13, 2016
Page 4 of 4

chemicals, liquids or gases, waste materials or other irritant, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water; but this exclusion does not apply if such discharge, dispersal, release or escape is sudden and accidental;

and,

- (j) to property damage to
 - (1) property owned or occupied by or rented to the insured,
 - (2) property used by the insured,
 - (3) property in the care, custody or control of the insured as to which the insured is for any purpose exercising physical control, or
 - (4) property (including money) seized by the insured whether legally or illegally....

The *Tort Liability Insurance Policy* clearly excludes coverage for property owned, occupied, used, and/or in the care, custody or control of ReWa, the insured.

Again, let me reiterate that the Fund remains willing to consider any additional information ReWa provides to establish the costs related to decontaminating/cleaning equipment, machinery, and components. Until such time as this information is received, further efforts to resolve the claim are not possible.

The Fund specifically reserves all rights to assert any policy provision, condition, limitation, or exclusion applicable, regardless of whether addressed in this letter.

Thank you for your time and attention.

Sincerely,



John R. Devlin, Jr.

Regular Cost of Processing Solids for Land Application

Normalized Dry Tons for stored and cleaned out material:

285.020	Pelham normalized dry tons (from liquid @ 3%)
1,812.699	Lower Reedy & Mauldin Rd normalized dry tons
2,097.719	Total dry tons processed from liquid w/o bulking agent

Processing and disposal of ongoing plant flows:

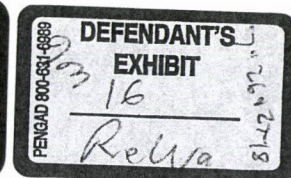
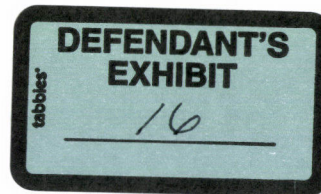
28,657.00	Pelham wet tons of cake
0.144	Pelham BP cake % solids factor
4,126.61	Pelham dry tons calculated from wet tons of cake

10,150.00	Lower Reedy wet tons of cake
0.125	Lower Reedy BP cake % solids factor
1,268.75	Lower Reedy dry tons calculated from wet tons of cake

27,642.00	Mauldin Rd. wet tons of cake
0.165	Mauldin Rd. BP cake % solids factor
4,560.93	Mauldin Rd. dry tons calculated from wet tons of cake

9,956.29	Total dry tons calculated from wet tons of cake at 3 plants
2,097.72	Total dry tons processed from storage at all 3 plants
12,054.01	Grand total dry tons processed

12,054.01	Total dry tons processed
\$216.00	Normal processing cost per dry ton for land app
\$2,603,665.51	TOTAL



Ref # 40231

J.B. Russell & Son Construction Co., Inc.

Invoice

**P. O. Box 4098
Spartanburg, S.C. 29305**

Date	Invoice #
5/19/2015	33312

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

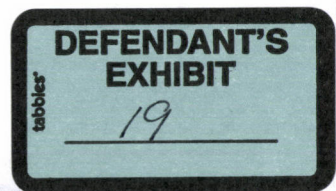
Job Location

P.O. NUMBER	Terms	Due Date	Rep	Job Date
		5/19/2015		

Quantity	Description	Price	Amount
	PROVIDE TRANSPORTATION SERVICES		
	4/27/15		
16	ROLL-OFF TRUCK / HOUR	95.00	1,520.00
	4/28/15		
16	ROLL-OFF TRUCK / HOUR	95.00	1,520.00
	4/29/15		
3	ROLL-OFF TRUCK / HOUR	95.00	285.00
	4/30/15		
10	ROLL-OFF TRUCK / HOUR	95.00	950.00
	5/1/15		
15	ROLL-OFF TRUCK / HOUR	95.00	1,425.00
	5/4/15		
34	ROLL-OFF TRUCK / HOUR	95.00	3,230.00
	5/5/15		
21	ROLL-OFF TRUCK / HOUR	95.00	1,995.00
	5/6/15		
43.75	ROLL-OFF TRUCK / HOUR	95.00	4,156.25
	5/7/15		
4	ROLL-OFF TRUCK / HOUR	95.00	380.00
	FUEL SURCHARGE	618.45	618.45
<i>01-3240-6321-MPCS</i>			
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	\$16,079.70

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SUZANNE WHISENANT AT (864) 583-2717 OR BY E-MAIL AT SUZANNE@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5%/MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

PER KJ 5/20/15



R40195

J.B. Russell & Son Construction Co., Inc.

Invoice

**P. O. Box 4098
Spartanburg, S.C. 29305**

Date	Invoice #
5/13/2015	33274

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville. SC 29609

Job Location
1-04223760

P.O. NUMBER	Terms	Due Date	Rep	Job Date
		5/13/2015		4/22/2015

Quantity	Description	Price	Amount
	PROVIDE CREW AND EQUIPMENT TO CLEAN TANK #4, #5, AND #6.		
	4/22/15 REMOVED WATER FROM TANKS.		
10	SUPERVISOR / HOUR	52.00	520.00
30	TECHNICIAN / HOUR	38.00	1,140.00
10	KING VACUUM TRUCK / HOUR	125.00	1,250.00
1	SUPPORT TRUCK / DAY	125.00	125.00
	4/23/15 REMOVE SLUDGE FROM TANK.		
11.5	SUPERVISOR / HOUR	52.00	598.00
38.75	TECHNICIAN / HOUR	38.00	1,472.50
10	KING VACUUM TRUCK / HOUR	125.00	1,250.00
1	SUPPORT TRUCK / DAY	125.00	125.00
	4/24/15 REMOVE SLUDGE AND PRESSURE WASH TANK #5.		
11.25	SUPERVISOR / HOUR	52.00	585.00
33.75	TECHNICIAN / HOUR	38.00	1,282.50
10	KING VACUUM TRUCK / HOUR	125.00	1,250.00
1	SUPPORT TRUCK / DAY	125.00	125.00
2	TYVEK (YELLOW) / EACH	15.00	30.00
3	GLOVES / EACH	5.00	15.00
	4/27/15 PRESSURE WASH TANK #5.		
10	SUPERVISOR / HOUR	52.00	520.00
40	TECHNICIAN / HOUR	38.00	1,520.00
10	KING VACUUM TRUCK / HOUR	125.00	1,250.00
1	SUPPORT TRUCK / DAY	125.00	125.00
2	TYVEK (WHITE-LIGHTWEIGHT) / EACH	8.00	16.00
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SUZANNE WHISENANT AT (864) 583-2717 OR BY E-MAIL AT SUZANNE@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5% MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

J.B. Russell & Son Construction Co., Inc.

Invoice

**P. O. Box 4098
Spartanburg, S.C. 29305**

Date	Invoice #
5/13/2015	33274

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

Job Location
I-04223760

P.O. NUMBER	Terms	Due Date	Rep	Job Date
		5/13/2015		4/22/2015

Quantity	Description	Price	Amount
3	GLOVES / EACH	5.00	15.00
1	DEGREASER / PAIL	65.00	65.00
8	ROLL-OFF BOX LINER	45.00	360.00
2	PRESSURE WASHER / EACH / DAY	165.00	330.00
	4/28/15 REMOVE SLUDGE FROM TANK #4.		
10	SUPERVISOR / HOUR	52.00	520.00
30	TECHNICIAN / HOUR	38.00	1,140.00
10	KING VACUUM TRUCK / HOUR	125.00	1,250.00
1	SUPPORT TRUCK / DAY	125.00	125.00
1	TYVEK (WHITE-LIGHTWEIGHT) / EACH	8.00	8.00
3	GLOVES / EACH	5.00	15.00
1	DEGREASER / PAIL	65.00	65.00
4	ROLL-OFF BOX LINER	45.00	180.00
2	PRESSURE WASHER / EACH / DAY	165.00	330.00
	4/29/15 PRESSURE WASH TANK #4		
11.5	SUPERVISOR / HOUR	52.00	598.00
34.5	TECHNICIAN / HOUR	38.00	1,311.00
11.5	KING VACUUM TRUCK / HOUR	125.00	1,437.50
1	SUPPORT TRUCK / DAY	125.00	125.00
4	TYVEK (WHITE-LIGHTWEIGHT) / EACH	8.00	32.00
3	GLOVES / EACH	5.00	15.00
1	DEGREASER / PAIL	65.00	65.00
2	PRESSURE WASHER / EACH / DAY	165.00	330.00
	4/30/15 SOLIDIFY AND LOAD SLUDGE ON TRUCKS WITH LONG REACH TRACK HOE.		
9	SUPERVISOR / HOUR	52.00	468.00
27	TECHNICIAN / HOUR	38.00	1,026.00
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SUZANNE WHISENANT AT (864) 583-2717 OR
BY E-MAIL AT SUZANNE@JBRUSA.COM
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J.B. Russell & Son Construction Co., Inc.

**P. O. Box 4098
Spartanburg, S.C. 29305**

Invoice

Date	Invoice #
5/13/2015	33274

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

Job Location
I-04223760

P.O. NUMBER	Terms	Due Date	Rep	Job Date
		5/13/2015		4/22/2015

Quantity	Description	Price	Amount
1	SUPPORT TRUCK / DAY	125.00	125.00
	5/1/15 LOAD SLUDGE ON TRUCKS FOR LANDFILL WITH LONG REACH TRACK HOE.		
9.5	SUPERVISOR / HOUR	52.00	494.00
9.5	TECHNICIAN / HOUR	38.00	361.00
1	SUPPORT TRUCK / DAY	125.00	125.00
14	ROLL-OFF BOX LINER	45.00	630.00
	5/4/15 LOAD SLUDGE IN TRUCKS TO GO TO LANDFILL WITH TRACKHOE.		
9.25	SUPERVISOR / HOUR	52.00	481.00
9.25	TECHNICIAN / HOUR	38.00	351.50
1	SUPPORT TRUCK / DAY	125.00	125.00
10	ROLL-OFF BOX LINER	45.00	450.00
	5/5/15 LOAD TRUCKS WITH SLUDGE TO GO TO LANDFILL.		
10.5	SUPERVISOR / HOUR	52.00	546.00
31.5	TECHNICIAN / HOUR	38.00	1,197.00
1	SUPPORT TRUCK / DAY	125.00	125.00
12	ROLL-OFF BOX LINER	45.00	540.00
	5/6/15 CONTINUE LOADING TRUCKS WITH SLUDGE TO GO TO THE LANDFILL.		
12	SUPERVISOR / HOUR	52.00	624.00
36	TECHNICIAN / HOUR	38.00	1,368.00
1	SUPPORT TRUCK / DAY	125.00	125.00
18	ROLL-OFF BOX LINER	45.00	810.00

WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.	Total
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IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SUZANNE WHISENANT AT (864) 583-2717 OR BY E-MAIL AT SUZANNE@JBRUSA.COM
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J.B. Russell & Son Construction Co., Inc.

Invoice

**P. O. Box 4098
Spartanburg, S.C. 29305**

Date	Invoice #
5/13/2015	33274

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

Job Location
1-04223760

P.O. NUMBER	Terms	Due Date	Rep	Job Date
		5/13/2015		4/22/2015

Quantity	Description	Price	Amount
	5/8/15 PRESSURE WASH TANK #6		
11.5	SUPERVISOR / HOUR	52.00	598.00
46	TECHNICIAN / HOUR	38.00	1,748.00
10	KING VACUUM TRUCK / HOUR	125.00	1,250.00
1	SUPPORT TRUCK / DAY	125.00	125.00
4	TYVEK (WHITE-LIGHTWEIGHT) / EACH	8.00	32.00
3	GLOVES / EACH	5.00	15.00
2	PRESSURE WASHER / EACH / DAY	165.00	330.00
	5/8/15 CREW TO PICK UP ALL EQUIPMENT.		
6	TECHNICIAN / HOUR	38.00	228.00
2	SUPPORT TRUCK / DAY	125.00	250.00
1	FUEL SURCHARGE	1,442.52	1,442.52
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	\$37,505.52

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SUZANNE WHISENANT AT (864) 583-2717 OR BY E-MAIL AT SUZANNE@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5%/MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

Ref# 40261

J.B. Russell & Son Construction Co., Inc.

Invoice

P. O. Box 4098
Spartanburg, S.C. 29305

Date	Invoice #
5/21/2015	33326

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

Job Location

P.O. NUMBER	Terms	Due Date	Rep	Job Date
		5/21/2015		

Quantity	Description	Price	Amount
	EQUIPMENT USED FOR JOB: I-04223760, DATES: 04/22/15 TO 05/08/15		
10	LONG REACH EXCAVATOR / DAY	1,565.00	15,650.00
1	TRANSPORTATION(DELIVER LONG REACH EXCAVATOR)	300.00	300.00
1	TRANSPORTATION(P/U LONG REACH EXCAVATOR)	300.00	300.00
2	CRANE RENTAL EACH	912.00	1,824.00
2	DINGO/DAY	225.00	450.00
13	RENTAL DINGO/DAY	225.00	2,925.00
1	TRACK SKID STEER / DAY	685.00	685.00
8	PRESSURE WASHER/DAY	165.00	1,320.00
1	FUEL SURCHARGE	938.16	938.16
<i>01-3240-6321-7MPCS</i>			
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	\$24,392.16

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SUZANNE WHISENANT AT (864) 583-2717 OR BY E-MAIL AT SUZANNE@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5%MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

Ref. # 40727

J.B. Russell & Son Construction Co., Inc.

Invoice

P. O. Box 4098
Spartanburg, S.C. 29305

Date	Invoice #
6/15/2015	33407

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville. SC 29609

Job Location
:1-06033859

P.O. NUMBER	Terms	Due Date	Rep	Job Date
	Net 30	7/15/2015	SR	5/28/2015

Quantity	Description	Price	Amount
	REMOVED SLUDGE FROM TANK D2 AND PRESSURE WASHED TANK. ALL WASTE WAS DUMPED ON SITE. <i>5/28/15 - 6/4/15</i>		
	5/28/15		
9	SUPERVISOR / HOUR	52.00	468.00
36	TECHNICIAN / HOUR	38.00	1,368.00
9	KING VACUUM TRUCK / HOUR	125.00	1,125.00
1	SUPPORT TRUCK / DAY	125.00	125.00
3	ROLL-OFF TRUCK / HOUR	92.00	276.00
6	TYVEK (WHITE-LIGHTWEIGHT) / EACH	8.00	48.00
		0.00	0.00
	5/29/15		
10.5	SUPERVISOR / HOUR	52.00	546.00
42	TECHNICIAN / HOUR	38.00	1,596.00
10.5	KING VACUUM TRUCK / HOUR	125.00	1,312.50
1	SUPPORT TRUCK / DAY	125.00	125.00
6	ROLL-OFF TRUCK / HOUR	92.00	552.00
10	TYVEK (WHITE-LIGHTWEIGHT) / EACH	8.00	80.00
10	GREEN NITRILE GLOVES / EACH	3.00	30.00
		0.00	0.00
	6/2/15		
8.5	SUPERVISOR / HOUR	52.00	442.00
34	TECHNICIAN / HOUR	38.00	1,292.00
8.5	KING VACUUM TRUCK / HOUR	125.00	1,062.50
1	SUPPORT TRUCK / DAY	125.00	125.00
1	PRESSURE WASHER/DAY	165.00	165.00
1	AIR COMPRESSOR / DAY	185.00	185.00
5	TYVEK (WHITE-LIGHTWEIGHT) / EACH	8.00	40.00
6	GREEN NITRILE GLOVES / EACH	3.00	18.00
		0.00	0.00
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SCOTT PRUITT AT (864) 699-2480 OR BY E-MAIL AT SCOTT@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5%/MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

01-3240-6321-MPS

J.B. Russell & Son Construction Co., Inc.

Invoice

**P. O. Box 4098
Spartanburg, S.C. 29305**

Date	Invoice #
6/15/2015	33407

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

Job Location
:I-06033859

P.O. NUMBER	Terms	Due Date	Rep	Job Date
	Net 30	7/15/2015	SR	5/28/2015

Quantity	Description	Price	Amount
	6/3/15		
12.5	SUPERVISOR / HOUR	52.00	650.00
53.5	TECHNICIAN / HOUR	38.00	2,033.00
12.5	KING VACUUM TRUCK / HOUR	125.00	1,562.50
1	SUPPORT TRUCK / DAY	125.00	125.00
1	AIR COMPRESSOR / DAY	185.00	185.00
1	PRESSURE WASHER/DAY	165.00	165.00
6	TYVEK (WHITE-LIGHTWEIGHT) / EACH	8.00	48.00
6	GREEN NITRILE GLOVES / EACH	3.00	18.00
	6/4/15		
11.25	SUPERVISOR / HOUR	52.00	585.00
33.75	TECHNICIAN / HOUR	38.00	1,282.50
11.25	KING VACUUM TRUCK / HOUR	125.00	1,406.25
1	SUPPORT TRUCK / DAY	125.00	125.00
1	AIR COMPRESSOR / DAY	185.00	185.00
1	PRESSURE WASHER/DAY	165.00	165.00
6	TYVEK (WHITE-LIGHTWEIGHT) / EACH	8.00	48.00
6	GREEN NITRILE GLOVES / EACH	3.00	18.00
1	FUEL SURCHARGE	783.29	783.29
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	\$20,365.54

19,582.25

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SCOTT PRUITT AT (864) 699-2480 OR BY E-MAIL AT SCOTT@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5% MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

Ref # 40726

J.B. Russell & Son Construction Co., Inc.

Invoice

P. O. Box 4098
Spartanburg, S.C. 29305

Date	Invoice #
6/15/2015	33406

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville. SC 29609

Job Location
:I-05263835

P.O. NUMBER	Terms	Due Date	Rep	Job Date
	Net 30	7/15/2015	SR	6/15/2015

Quantity	Description	Price	Amount
	REMOVED SLUDGE FROM TANK D1 AND PRESSURE WASHED TANK. ALL WASTE WAS DUMPED ON SITE.	5/26/15 - 6/1/15	
	5/26/15		
8.5	SUPERVISOR / HOUR	52.00	442.00
25.5	TECHNICIAN / HOUR	38.00	969.00
8.5	KING VACUUM TRUCK / HOUR	125.00	1,062.50
2	PRESSURE WASHER/DAY	165.00	330.00
3	TYVEK (WHITE-LIGHTWEIGHT) / EACH	8.00	24.00
6	GREEN NITRILE GLOVES / EACH	3.00	18.00
	5/27/15		
8.5	SUPERVISOR / HOUR	52.00	442.00
25.5	TECHNICIAN / HOUR	38.00	969.00
8.5	KING VACUUM TRUCK / HOUR	125.00	1,062.50
2	PRESSURE WASHER/DAY	165.00	330.00
3	TYVEK (WHITE-LIGHTWEIGHT) / EACH	8.00	24.00
6	GREEN NITRILE GLOVES / EACH	3.00	18.00
	6/1/15		
11.25	SUPERVISOR / HOUR	52.00	585.00
45	TECHNICIAN / HOUR	38.00	1,710.00
11.25	KING VACUUM TRUCK / HOUR	125.00	1,406.25
1	SUPPORT TRUCK / DAY	125.00	125.00
2	PRESSURE WASHER/DAY	165.00	330.00
1	AIR COMPRESSOR / DAY	185.00	185.00
3	TYVEK (WHITE-LIGHTWEIGHT) / EACH	8.00	24.00
6	GREEN NITRILE GLOVES / EACH	3.00	18.00
	6/2/15		
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SCOTT PRUITT AT (864) 699-2480 OR BY E-MAIL AT SCOTT@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5% MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

40261

01-3240-6321-MPCS

J.B. Russell & Son Construction Co., Inc.

Invoice

**P. O. Box 4098
Spartanburg, S.C. 29305**

Date	Invoice #
6/15/2015	33406

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

Job Location
:I-05263835

P.O. NUMBER	Terms	Due Date	Rep	Job Date
	Net 30	7/15/2015	SR	6/15/2015

Quantity	Description	Price	Amount
	FINISHED UP TANK D1 IN TWO HOURS AND MOVED TO TANK D2		
2	SUPERVISOR / HOUR	52.00	104.00
8	TECHNICIAN / HOUR	38.00	304.00
2	KING VACUUM TRUCK / HOUR	125.00	250.00
5	TYVEK (WHITE-LIGHTWEIGHT) / EACH	8.00	40.00
3	GREEN NITRILE GLOVES / EACH	3.00	9.00
1	FUEL SURCHARGE	431.25	431.25
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	\$11,212.50

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SCOTT PRUITT AT (864) 699-2480 OR BY E-MAIL AT SCOTT@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5%/MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

Ref. # 40886

J.B. Russell & Son Construction Co., Inc.

Invoice

**P. O. Box 4098
Spartanburg, S.C. 29305**

Date	Invoice #
6/19/2015	33437

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

Job Location
:I-06093871

P.O. NUMBER	Terms	Due Date	Rep	Job Date
	Net 30	7/19/2015		6/15/2015

Quantity	Description	Price	Amount
	CLEANED TANK 7 , 6/5/15 THROUGH 6/15/15 6/5/15		
9	SUPERVISOR / HOUR	52.00	468.00
27	TECHNICIAN / HOUR	38.00	1,026.00
18	KING VACUUM TRUCK / HOUR	125.00	2,250.00
1	SUPPORT TRUCK / DAY	125.00	125.00
1	DINGO	225.00	225.00
25	TYVEK (WHITE-LIGHTWEIGHT) / EACH	8.00	200.00
12	GREEN NITRILE GLOVES / EACH	3.00	36.00
	6/8/15		
9.25	SUPERVISOR / HOUR	52.00	481.00
27.75	TECHNICIAN / HOUR	38.00	1,054.50
18.5	KING VACUUM TRUCK / HOUR	125.00	2,312.50
1	SUPPORT TRUCK / DAY	125.00	125.00
10	TYVEK (WHITE-LIGHTWEIGHT) / EACH	8.00	80.00
12	GREEN NITRILE GLOVES / EACH	3.00	36.00
	6/9/15		
9.5	SUPERVISOR / HOUR	52.00	494.00
38	TECHNICIAN / HOUR	38.00	1,444.00
19	KING VACUUM TRUCK / HOUR	125.00	2,375.00
1	SUPPORT TRUCK / DAY	125.00	125.00
12	TYVEK (WHITE-LIGHTWEIGHT) / EACH	8.00	96.00
12	GREEN NITRILE GLOVES / EACH	3.00	36.00
	6/10/15		
	FINISHED UP TANK D1 IN TWO HOURS AND MOVED TO TANK D2		
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SCOTT PRUITT AT (864) 699-2480 OR BY E-MAIL AT SCOTT@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5% MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

01-3240-6321-MPCS

J.B. Russell & Son Construction Co., Inc.

Invoice

**P. O. Box 4098
Spartanburg, S.C. 29305**

Date	Invoice #
6/19/2015	33437

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

Job Location
:I-06093871

P.O. NUMBER	Terms	Due Date	Rep	Job Date
	Net 30	7/19/2015		6/15/2015

Quantity	Description	Price	Amount
9	SUPERVISOR / HOUR	52.00	468.00
27	TECHNICIAN / HOUR	38.00	1,026.00
9	KING VACUUM TRUCK / HOUR	125.00	1,125.00
1	SUPPORT TRUCK / DAY	125.00	125.00
10	TYVEK (WHITE-LIGHTWEIGHT) / EACH	8.00	80.00
12	GREEN NITRILE GLOVES / EACH	3.00	36.00
	6/12/15		
9	SUPERVISOR / HOUR	52.00	468.00
27	TECHNICIAN / HOUR	38.00	1,026.00
9	KING VACUUM TRUCK / HOUR	125.00	1,125.00
1	SUPPORT TRUCK / DAY	125.00	125.00
1	PRESSURE WASHER/DAY	165.00	165.00
8	TYVEK (WHITE-LIGHTWEIGHT) / EACH	8.00	64.00
12	GREEN NITRILE GLOVES / EACH	3.00	36.00
	6/15/15		
9.5	SUPERVISOR / HOUR	52.00	494.00
28.5	TECHNICIAN / HOUR	38.00	1,083.00
9.5	KING VACUUM TRUCK / HOUR	125.00	1,187.50
1	SUPPORT TRUCK / DAY	125.00	125.00
1	PRESSURE WASHER/DAY	165.00	165.00
4	TYVEK (WHITE-LIGHTWEIGHT) / EACH	8.00	32.00
12	GREEN NITRILE GLOVES / EACH	3.00	36.00
1	FUEL SURCHARGE	879.22	879.22
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	\$22,859.72

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IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SCOTT PRUITT AT (864) 699-2480 OR BY E-MAIL AT SCOTT@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5%/MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

Ref. # 40885

J.B. Russell & Son Construction Co., Inc.

Invoice

P. O. Box 4098
Spartanburg, S.C. 29305

Date	Invoice #
5/28/2015	33340

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

Job Location
I-05113785

P.O. NUMBER	Terms	Due Date	Rep	Job Date
		5/28/2015		5/28/2015

Quantity	Description	Price	Amount
	REMOVING SLUDGE FROM THE CONE AND TANK IN TANK 8		
	5/11/15		
9.75	SUPERVISOR / HOUR	52.00	507.00
58.5	TECHNICIAN / HOUR	38.00	2,223.00
19.5	KING VACUUM TRUCK / HOUR	125.00	2,437.50
1	SUPPORT TRUCK / DAY	125.00	125.00
1	PERSONAL PROTECTIVE EQUIPMENT / DAY	244.00	244.00
	5/12/15		
8.75	SUPERVISOR / HOUR	52.00	455.00
25	TECHNICIAN / HOUR	38.00	950.00
8.75	KING VACUUM TRUCK / HOUR	125.00	1,093.75
1	PRESSURE WASHER/DAY	65.00	65.00
1	AIR COMPRESSOR / DAY	185.00	185.00
1	PERSONAL PROTECTIVE EQUIPMENT / DAY	244.00	244.00
	5/13/15		
9.5	SUPERVISOR / HOUR	52.00	494.00
24	TECHNICIAN / HOUR	38.00	912.00
19	KING VACUUM TRUCK / HOUR	125.00	2,375.00
1	PRESSURE WASHER/DAY	65.00	65.00
1	AIR COMPRESSOR / DAY	185.00	185.00
1	PERSONAL PROTECTIVE EQUIPMENT / DAY	244.00	244.00
	5/14/15		
10.25	SUPERVISOR / HOUR	52.00	533.00
61.5	TECHNICIAN / HOUR	38.00	2,337.00
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SUZANNE WHISENANT AT (864) 583-2717 OR BY E-MAIL AT SUZANNE@JBRUSA.COM
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01-3240-6321-MPCS

J.B. Russell & Son Construction Co., Inc.

Invoice

**P. O. Box 4098
Spartanburg, S.C. 29305**

Date	Invoice #
5/28/2015	33340

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

Job Location
I-05113785

P.O. NUMBER	Terms	Due Date	Rep	Job Date
		5/28/2015		5/28/2015

Quantity	Description	Price	Amount
20.5	KING VACUUM TRUCK / HOUR	125.00	2,562.50
1	SUPPORT TRUCK / DAY	125.00	125.00
1	PERSONAL PROTECTIVE EQUIPMENT / DAY	244.00	244.00
1	FUEL SURCHARGE	744.23	744.23
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	\$19,349.98

18,605.25

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SUZANNE WHISENANT AT (864) 583-2717 OR BY E-MAIL AT SUZANNE@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5%MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

Ref # 40884

J.B. Russell & Son Construction Co., Inc.

Invoice

P. O. Box 4098
Spartanburg, S.C. 29305

Date	Invoice #
5/28/2015	33341

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

Job Location
I-05113785

P.O. NUMBER	Terms	Due Date	Rep	Job Date
		5/28/2015		5/28/2015

Quantity	Description	Price	Amount
	PROVIDE TRAINED PERSONNEL TO ENTER TANK 8 TO PRESSURE WASH AND VACUUM THE INTERIOR FLOOR AND WALLS. RECOVERED WASTE TO BE LEFT ONSITE FOR REWA PERSONNEL.		
	5/15/15		
9.25	SUPERVISOR / HOUR	52.00	481.00
27.75	TECHNICIAN / HOUR	38.00	1,054.50
14.5	KING VACUUM TRUCK / HOUR	125.00	1,812.50
1	SUPPORT TRUCK / DAY	125.00	125.00
1	PERSONAL PROTECTIVE EQUIPMENT / DAY	244.00	244.00
	5/18/15		
8.75	SUPERVISOR / HOUR	52.00	455.00
28.25	TECHNICIAN / HOUR	38.00	1,073.50
1	KING VACUUM TRUCK / HOUR	125.00	125.00
1	PERSONAL PROTECTIVE EQUIPMENT / DAY	244.00	244.00
	5/19/15		
6	SUPERVISOR / HOUR	52.00	312.00
12	TECHNICIAN / HOUR	38.00	456.00
6	KING VACUUM TRUCK / HOUR	125.00	750.00
1	SUPPORT TRUCK / DAY	125.00	125.00
1	PERSONAL PROTECTIVE EQUIPMENT / DAY	244.00	244.00
	5/20/15		
31.5	SUPERVISOR / HOUR	52.00	1,638.00
16	KING VACUUM TRUCK / HOUR	125.00	2,000.00
1	PERSONAL PROTECTIVE EQUIPMENT / DAY	244.00	244.00
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SUZANNE WHISENANT AT (864) 583-2717 OR BY E-MAIL AT SUZANNE@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5%/MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

01-3240-6321-mpcs

40884

J.B. Russell & Son Construction Co., Inc.

Invoice

**P. O. Box 4098
Spartanburg, S.C. 29305**

Date	Invoice #
5/28/2015	33341

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

Job Location
I-05113785

P.O. NUMBER	Terms	Due Date	Rep	Job Date
		5/28/2015		5/28/2015

Quantity	Description	Price	Amount
	5/21/15		
10	SUPERVISOR / HOUR	52.00	520.00
40	TECHNICIAN / HOUR	38.00	1,520.00
10	KING VACUUM TRUCK / HOUR	125.00	1,250.00
1	SUPPORT TRUCK / DAY	125.00	125.00
1	PRESSURE WASHER/DAY	65.00	65.00
1	PERSONAL PROTECTIVE EQUIPMENT / DAY	244.00	244.00
1	FUEL SURCHARGE	604.30	604.30
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	\$15,711.80

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SUZANNE WHISENANT AT (864) 583-2717 OR
BY E-MAIL AT SUZANNE@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5%MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

R40957

2637

J.B. Russell & Son Construction Co., Inc.

Invoice

P. O. Box 4098
Spartanburg, S.C. 29305

Date	Invoice #
6/23/2015	33481

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

Job Location
1-04223760

P.O. NUMBER	Terms	Due Date	Rep	Job Date
	Net 30	7/23/2015		5/8/2015

Quantity	Description	Price	Amount
	SOLIDIFICATION MATERIAL FOR CLEANING OF TANKS 3, 5, & 6, 4/22 - 5/8/15		
18	GROUND DIAPERS/BALE	180.00	3,240.00
32	DUST/BALE	65.00	2,080.00
80	NON GROUND DIAPERS/BALE	90.00	7,200.00
1	FUEL SURCHARGE	500.80	500.80
<p>RECEIVED JUN 23 2015 ACCOUNTING</p> <p>01-3240-6321-MPCS</p>			
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	\$13,020.80

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SCOTT PRUITT AT (864) 699-2480 OR BY E-MAIL AT SCOTT@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5% MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

Ref. 40996

J.B. Russell & Son Construction Co., Inc.

Invoice

P. O. Box 4098
Spartanburg, S.C. 29305

Date	Invoice #
6/26/2015	33501

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

Job Location
1-06033857 <i>01-3240-6321-MAPS</i>

P.O. NUMBER	Terms	Due Date	Rep	Job Date
	Net 30	7/26/2015		6/5/2015

Quantity	Description	Price	Amount
	REMOVED SLUDGE FROM TANK D4 BY SOLIDIFICATION AND TRANSPORT TO LANDFILL. TANK WAS THEN PRESSURE WASHED AND VACUUMED CLEAN.		
8.5	6/5/15 BEGAN MIXING TANK SUPERVISOR / HOUR	52.00	442.00
1	LONG REACH EXCAVATOR/DAY	1,565.00	1,565.00
1	DELIVERY OF LONG REACH EXCAVATOR	300.00	300.00
1	SUPPORT TRUCK / DAY	125.00	125.00
		0.00	0.00
9	6/8/15 CONTINUED MIXING AND BEGAN HAULING TO LANDFILL SUPERVISOR / HOUR	52.00	468.00
1	LONG REACH EXCAVATOR/DAY	1,565.00	1,565.00
1	SUPPORT TRUCK / DAY	125.00	125.00
		0.00	0.00
9.25	6/9/15 CONTINUED MIXING AND HAULING SUPERVISOR / HOUR	52.00	481.00
1	LONG REACH EXCAVATOR/DAY	1,565.00	1,565.00
1	SUPPORT TRUCK / DAY	125.00	125.00
		0.00	0.00
9.75	6/10/15 SUPERVISOR / HOUR	52.00	507.00
1	LONG REACH EXCAVATOR/DAY	1,565.00	1,565.00
1	TRACK SKID STEER / DAY	685.00	685.00
1	SUPPORT TRUCK / DAY	125.00	125.00
		0.00	0.00
10	6/11/15 CONTINUED MIXING AND HAULING SUPERVISOR / HOUR	52.00	520.00
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SCOTT PRUITT AT (864) 699-2480 OR BY E-MAIL AT SCOTT@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5%/MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

J.B. Russell & Son Construction Co., Inc.

Invoice

**P. O. Box 4098
Spartanburg, S.C. 29305**

Date	Invoice #
6/26/2015	33501

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

Job Location
:1-06033857

P.O. NUMBER	Terms	Due Date	Rep	Job Date
	Net 30	7/26/2015		6/5/2015

Quantity	Description	Price	Amount
10	TECHNICIAN / HOUR	38.00	380.00
1	LONG REACH EXCAVATOR/DAY	1,565.00	1,565.00
1	TRACK SKID STEER / DAY	685.00	685.00
1	SUPPORT TRUCK / DAY	125.00	125.00
		0.00	0.00
	6/12/15 CONTINUED MIXING AND HAULING		
10	SUPERVISOR / HOUR	52.00	520.00
10	TECHNICIAN / HOUR	38.00	380.00
1	LONG REACH EXCAVATOR/DAY	1,565.00	1,565.00
1	TRACK SKID STEER / DAY	685.00	685.00
1	SUPPORT TRUCK / DAY	125.00	125.00
		0.00	0.00
	6/15/15 CONTINUED MIXING AND HAULING		
9.75	SUPERVISOR / HOUR	52.00	507.00
9.75	TECHNICIAN / HOUR	38.00	370.50
1	LONG REACH EXCAVATOR/DAY	1,565.00	1,565.00
1	TRACK SKID STEER / DAY	685.00	685.00
1	SUPPORT TRUCK / DAY	125.00	125.00
		0.00	0.00
	6/16/15 CONTINUED MIXING AND HAULING		
9	SUPERVISOR / HOUR	52.00	468.00
13	TECHNICIAN / HOUR	38.00	494.00
1	LONG REACH EXCAVATOR/DAY	1,565.00	1,565.00
1	TRACK SKID STEER / DAY	685.00	685.00
1	SUPPORT TRUCK / DAY	125.00	125.00
		0.00	0.00
	6/17/15 CONTINUED MIXING AND HAULING		
9	SUPERVISOR / HOUR	52.00	468.00
9	TECHNICIAN / HOUR	38.00	342.00
1	LONG REACH EXCAVATOR/DAY	1,565.00	1,565.00
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SCOTT PRUITT AT (864) 699-2480 OR BY E-MAIL AT SCOTT@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5%/MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

J.B. Russell & Son Construction Co., Inc.

Invoice

**P. O. Box 4098
Spartanburg, S.C. 29305**

Date	Invoice #
6/26/2015	33501

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

Job Location
:L-06033857

P.O. NUMBER	Terms	Due Date	Rep	Job Date
	Net 30	7/26/2015		6/5/2015

Quantity	Description	Price	Amount
1	TRACK SKID STEER / DAY	685.00	685.00
1	SUPPORT TRUCK / DAY	125.00	125.00
		0.00	0.00
	6/18/15 CONTINUED MIXING AND HAULING		
10	SUPERVISOR / HOUR	52.00	520.00
10	TECHNICIAN / HOUR	38.00	380.00
1	LONG REACH EXCAVATOR/DAY	1,565.00	1,565.00
1	TRACK SKID STEER / DAY	685.00	685.00
1	SUPPORT TRUCK / DAY	125.00	125.00
		0.00	0.00
	6/19/15 CONTINUED MIXING AND HAULING		
10	SUPERVISOR / HOUR	52.00	520.00
10	TECHNICIAN / HOUR	38.00	380.00
1	LONG REACH EXCAVATOR/DAY	1,565.00	1,565.00
1	TRACK SKID STEER / DAY	685.00	685.00
1	SUPPORT TRUCK / DAY	125.00	125.00
		0.00	0.00
	6/22/15 CONTINUED MIXING AND HAULING		
9	SUPERVISOR / HOUR	52.00	468.00
9	TECHNICIAN / HOUR	38.00	342.00
1	LONG REACH EXCAVATOR/DAY	1,565.00	1,565.00
1	TRACK SKID STEER / DAY	685.00	685.00
1	SUPPORT TRUCK / DAY	125.00	125.00
		0.00	0.00
	6/23/15 CONTINUED MIXING AND HAULING		
8	SUPERVISOR / HOUR	52.00	416.00
8	TECHNICIAN / HOUR	38.00	304.00
1	LONG REACH EXCAVATOR/DAY	1,565.00	1,565.00
1	TRACK SKID STEER / DAY	685.00	685.00
1	SUPPORT TRUCK / DAY	125.00	125.00
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SCOTT PRUITT AT (864) 699-2480 OR BY E-MAIL AT SCOTT@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5% MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

J.B. Russell & Son Construction Co., Inc.

Invoice

P. O. Box 4098
Spartanburg, S.C. 29305

Date	Invoice #
6/26/2015	33501

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

Job Location
1-06033857

P.O. NUMBER	Terms	Due Date	Rep	Job Date
	Net 30	7/26/2015		6/5/2015

Quantity	Description	Price	Amount
	6/24/15 CONTINUED MIXING AND HAULING	0.00	0.00
9	SUPERVISOR / HOUR	52.00	468.00
9	TECHNICIAN / HOUR	38.00	342.00
1	LONG REACH EXCAVATOR/DAY	1,565.00	1,565.00
1	TRACK SKID STEER / DAY	685.00	685.00
1	SUPPORT TRUCK / DAY	125.00	125.00
1	DINGO	225.00	225.00
		0.00	0.00
	6/25/15 PRESSURE WASHED AND VACUUMED TANK		
9	SUPERVISOR / HOUR	52.00	468.00
44	TECHNICIAN / HOUR	38.00	1,672.00
10	KING VACUUM TRUCK / HOUR	125.00	1,250.00
1	TRACK SKID STEER / DAY	685.00	685.00
1	SUPPORT TRUCK / DAY	125.00	125.00
2	PRESSURE WASHER/DAY	165.00	330.00
1	LONG REACH EXCAVATOR/DAY	1,565.00	1,565.00
1	PICK UP LONG REACH EXCAVATOR	300.00	300.00
6	TYVEK (WHITE-LIGHTWEIGHT) / EACH	8.00	48.00
1	CITRUS DEGREASER	643.00	643.00
	SUBTOTAL		49,293.50
1	FUEL SURCHARGE	1,971.74	1,971.74
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	\$51,265.24

49,293.50

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SCOTT PRUITT AT (864) 699-2480 OR BY E-MAIL AT SCOTT@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5% MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

R 41027

J.B. Russell & Son Construction Co., Inc.

Invoice

**P. O. Box 4098
Spartanburg, S.C. 29305**

Date	Invoice #
6/26/2015	33511

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

Job Location
:I-06263819

P.O. NUMBER	Terms	Due Date	Rep	Job Date
	Net 30	7/26/2015	SR	6/26/2015

Quantity	Description	Price	Amount
	SUPPLIED VACUUM TRUCK AND WASH TEAM ON 6/26/15		
10	SUPERVISOR / HOUR	52.00	520.00
20	TECHNICIAN / HOUR	38.00	760.00
10	KING VACUUM TRUCK / HOUR	125.00	1,250.00
1	SUPPORT TRUCK / DAY	125.00	125.00
2	PRESSURE WASHER/DAY	165.00	330.00
1	FUEL SURCHARGE	119.40	119.40
	SUBTOTAL		3,104.40
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	\$3,104.40

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SCOTT PRUITT AT (864) 699-2480 OR BY E-MAIL AT SCOTT@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5%MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

REWA v. IRF_011369

Ref. # 40995

J.B. Russell & Son Construction Co., Inc.

Invoice

P. O. Box 4098
Spartanburg, S.C. 29305

Date	Invoice #
6/26/2015	33502

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

Job Location
I-06033857

P.O. NUMBER	Terms	Due Date	Rep	Job Date
	Net 30	7/26/2015		6/8/2015

Quantity	Description	Price	Amount
	PROVIDED TRANSPORTATION OF SOLIDIFICATION MEDIA AND SOLIDIFIED LOADS FROM TANK #4		
16	ROLL-OFF TRUCK / HOUR 6/8/15	95.00	1,520.00
10	ROLL-OFF TRUCK / HOUR 6/9/15	95.00	950.00
19.5	ROLL-OFF TRUCK / HOUR 6/10/15	95.00	1,852.50
24	ROLL-OFF TRUCK / HOUR 6/11/15	95.00	2,280.00
15	ROLL-OFF TRUCK / HOUR 6/12/15	95.00	1,425.00
18.5	ROLL-OFF TRUCK / HOUR 6/15/15	95.00	1,757.50
3	ROLL-OFF TRUCK / HOUR 6/16/15	95.00	285.00
30	ROLL-OFF TRUCK / HOUR 6/17/15	95.00	2,850.00
27	ROLL-OFF TRUCK / HOUR 6/18/15	95.00	2,565.00
16	ROLL-OFF TRUCK / HOUR 6/19/15	95.00	1,520.00
29	ROLL-OFF TRUCK / HOUR 6/22/15	95.00	2,755.00
18	ROLL-OFF TRUCK / HOUR 6/23/15	95.00	1,710.00
15	ROLL-OFF TRUCK / HOUR 6/24/15	95.00	1,425.00
8	ROLL-OFF TRUCK / HOUR 6/25/15	95.00	760.00
82	ROLL-OFF BOX LINER	38.00	3,116.00
1	FUEL SURCHARGE	1,070.84	1,070.84
<i>01-3240-6321-MPCS</i>			<i>26,771.00</i>
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	\$27,841.84

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SCOTT PRUITT AT (864) 699-2480 OR BY E-MAIL AT SCOTT@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5% MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

Ref # 40998

J.B. Russell & Son Construction Co., Inc.

Invoice

P. O. Box 4098
Spartanburg, S.C. 29305

Date	Invoice #
6/26/2015	33503

Bill To
ReWa -RENEWABLE WATER RESOURCES - REWA 561 Mauldin Road Greenville, SC 29609

Job Location
:1-06033857

P.O. NUMBER	Terms	Due Date	Rep	Job Date
	Net 30	7/26/2015		6/8/2015

Quantity	Description	Price	Amount
	SOLIDIFICATION MEDIA FOR TANK #4		
48	DUST/BALE	65.00	3,120.00
6	DUST/LOAD	800.00	4,800.00
12,600	ABSORBENT PUCKS/LB	0.18	2,268.00
56	NON GROUND DIAPERS/BALE	90.00	5,040.00
WE NOW ACCEPT VISA AND MASTERCARD PAYMENTS.		Total	\$15,228.00

IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT SCOTT PRUITT AT (864) 699-2480 OR BY E-MAIL AT SCOTT@JBRUSA.COM
BALANCE IS SUBJECT TO 1.5%/MONTH INTEREST IF NOT PAID WITHIN OUR TERMS.

REWA v. IRF_011333



Remit To: ReWa Accounts Payable
 561 Mauldin Road
 Greenville, SC 29607

PO Terms & Conditions published at
<http://rewaonline.org/docs/poterm-conditions.pdf>

Purchase Order No.	PO39524
Date	11/18/2014
Revision Number	
Contract Number	

Vendor: 2586

HEPACO, LLC
 2265 Perimeter Road
 Greenville SC 29605
 accountsreceivable@hepaco.com
 (864) 220-7700 (Phone)
 (864) 220-7007 (Fax)

 Phone: 86422077000000 Fax: 86422070070000

Ship To:

Renewable Water Resources
 Lower Reedy WWTP
 497 North Harrison Bridge Road
 Simpsonville SC 29681

WIN/FILL
RCT / Darrell

Shipping Method	Payment Terms	Confirm With	Page				
BEST WAY	Net 30		Page 1 of 1				
L/N	Item Number	Description / Reference Number	Req. Date	U/M	Ordered	Unit Price	Ext. Price
1	XXS BID #68648	LABOR, MATERIAL & EQUIPMENT SLUDGE TANK CLEANING LOWER REEDY WWTP	11/14/2014	EA	1	\$3,845.00	\$3,845.00

Comments:
 From Req/Line: 36687/1 Dept: 3240

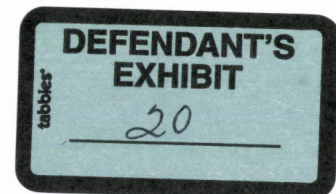
Requested By:	Renewable Water Resources
Buyer:	Patsy McKinney

Subtotal	\$3,845.00
Trade Discount	\$0.00
Freight	\$0.00
Miscellaneous	\$0.00
Tax	\$230.70
Order Total	\$4,075.70

Form Rev. 8- 8-2013

e-mailed vendor PO# 11/18/14 (PK)

*Completed
 per David
 Skyles
 11/19/14
 pm*



REWA v. IRF_007851



Ref # 36687

QUOTATION

CUSTOMER: ReWa
ADDRESS: 561 Mauldin Road
 Greenville, SC

DATE: October 14, 2014
TERMS: Net 10 Days
Bid # NO.: 68648

ATTN.: Mr. Randy Boyette
 Phone: (864) 419-7707
 Email: randyb@re-wa.org

REFERENCE: Sludge Tank Cleaning
 Lower Reedy WWTP

WE ARE PLEASED TO QUOTE ON THE FOLLOWING:

SCOPE: HEPACO LLC will provide a to pressure wash the 120' diameter holding tank located at Lower Reedy WWTP on North Harrison Bridge Road in Simpsonville, SC. The crew will access the tank thru the side opening, use D'Limonene and a Hotsy to clean the tank. The rinse water will be collected (with a vacuum truck) and pumped into a ReWa furnished holding tank as directed by a designated site representative. HEPACO will furnish the labor, equipment, materials and rescue crew to perform the required confined space entry work in accordance with the OSHA Standard. We anticipate this work to take 1 day to complete.

<u>DESCRIPTION</u>	<u>QUANTITY</u>	<u>UNIT</u>	<u>UNIT PRICE</u>	<u>EXTENDED</u>
Labor, Material and Equipment	1	L.S	\$ 3,845.00	\$ 3,845.00

Pricing is subject to all terms and conditions as outlined on page 2

QUOTATION GOOD FOR THIRTY DAYS. ALL PRICES, TERMS, AND CONDITIONS ARE SUBJECT TO REVIEW BY US PRIOR TO ORDER ACCEPTANCE.

CLIENT: REWA

HEPACO, LLC

Accepted By: _____

Authorized Signature: _____
 Chris Burch

ENVIRONMENTAL CONTRACTORS

CORPORATE OFFICE • P.O. BOX 26308 • CHARLOTTE, NC 28221 • (800) 888-7689 • (704) 598-9782 • FAX (704) 598-7823

REWA v. IRF_007852

Patsy McKinney

From: WorkPlace <purchasing@re-wa.org>
Sent: Tuesday, November 18, 2014 2:43 PM
To: Patsy McKinney
Subject: Requisition(s) have been Approved.

Renewable Water Resources

The Following Requisition(s) have been Approved, click the Link below to view these Requisition(s):

Requisitioner: McKinney, Patsy

Requisition	Priority	Project	Cost Category	Item	Item Description	Vendor	Comment	Internal Comments	A
36687	Emergency	WCRSA00LRED3220	OSTOP	MPCS	XXS LABOR, MATERIAL & EQUIPMENT	BID #68648	SLUDGE TANK CLEANING LOWER REEDY WWTP		

TERMS AND CONDITIONS

- The client will be invoiced for actual units accrued in the field at the completion of the project.
- Pricing includes material, equipment and labor for the approach listed above. No disposal costs are included in this estimate.
- No sampling is included in this proposal.
- Proposal assumes that NO TSCA waste will be encountered.
- Proposal assumes that this scope of work is in accordance with the plan previously approved by EPA. Should scope of work change, additional fees may apply.
- No delays in the diligent execution of the work beyond the control of HEPACO are anticipated.
- HEPACO will have free and exclusive access to the site during work hours.
- Electrical power (30 amps / 120 volts) and 10 GPM potable water will be provided by the Owner for HEPACO's use on site as required.
- All Work will be performed in accordance with applicable federal, state and local regulations in effect as of this date.
- Any required monitoring or testing will be provided by Owner.
- The Project Owner will retain title and generator status of all waste materials, whether hazardous or non-hazardous.
- Access to regulated areas will be restricted, as required by law.
- Owner shall pay HEPACO for HEPACO's labor, equipment, materials, reporting and administrative tasks, services and other items furnished in performance of HEPACO's Work until completion or until the earlier termination of this Proposal. Such payment shall be made by Owner to HEPACO within ten (10) days from the date of HEPACO's invoice; interest shall accrue on such payment due at the rate of eighteen percent (18%) per annum or the maximum finance charge allowed by law, whichever is less. Owner shall pay any attorneys' fees, collection fees, arbitration fees or other costs incurred by HEPACO in collecting any amounts due HEPACO.
- Pricing is contingent on both parties executing a mutually agreeable contract and Issuance of a Purchase Order.

Client Initials



REWA v. IRF_007854

Patsy McKinney

From: Patti Buchanan
Sent: Wednesday, November 12, 2014 1:45 PM
To: Patsy McKinney
Subject: FW: HEPACO Proposal 68348 ReWa-sludge tank pressure washing
Attachments: HEPACO Proposal ReWa-sludge tank pressure washing.pdf

Patsy,

Please process this for Lower Reedy. I checked with Randy and this is for the SRP so it will need to be charged to MPCS.

Thank you,

Patti

From: Randy Boyette
Sent: Monday, November 10, 2014 1:00 PM
To: Patti Buchanan
Cc: Kevin James
Subject: FW: HEPACO Proposal 68348 ReWa-sludge tank pressure washing

FYI-Moving forward with this later this week

From: Jackie Griffard [<mailto:jgriffard@hepaco.com>]
Sent: Thursday, November 06, 2014 12:18 PM
To: Randy Boyette
Cc: Chris Burch
Subject: HEPACO Proposal 68348 ReWa-sludge tank pressure washing

Mr. Boyette,

HEPACO, LLC is pleased to provide you with the attached proposal to provide pressure washing services. If you should have any questions regarding this proposal, please contact Chris Burch at 864-918-9478 or via email at cburch@hepaco.com.

We would appreciate it if you would confirm receipt of this proposal via reply email.

Thank you and Have a great day!

Respectfully,



Jackie Griffard
Administrator
HEPACO, LLC
Office: 864-220-0700

Fax: 864-220-7007

www.hepaco.com

24 Hour Emergency Response

1-800-888-7689

HEPACO is excited to celebrate our 30 year anniversary (1984-2014)!

This communication may contain privileged or other confidential information. If you are not the intended recipient, or believe that you may have received this communication in error, please do not print, copy, retransmit, disseminate, or otherwise use the information. Also, please indicate to the sender that you have received this communication in error and delete the copy you received. Thank you.



Please consider the environment before printing this mail.

Requisition No.	36687
Requester	McKinney, Patsy
Date Created	11/12/2014
Department	3240
Type	Requisition
Total Amount	\$3,845.00

Line	Item Code	Item Description	Quantity	U/M	Unit Price	Currency	Status
Vendor		Vendor Item	Quantity	U/M	Unit Price	Currency	Amount Extended
Date Required	Date Promised	Site ID	Ship To	Drop Ship	Drop Ship Customer	Department	Priority
PO Number	PO Line	Analysis Group		Vendor Contract	Budget ID	Apply Date	
G/L Account	G/L Amount		G/L Percent				
Contact	Project		Cost Category				
Vendor Comment							
Internal Comment							
1	XXS	LABOR, MATERIAL & EQUIPMENT					in Requisition Detail
2566			1.00	EA	\$3,845.00	USD	\$3,845.00
11/14/2014	11/14/2014	LOWERREEDY	LOWERREEDY	No		3240	EP
	0						
01-3220-6321-MPCS		\$3,845.00	100.00%				
		WCOSA00LRED3220	OSTOP_MPCS				
BID #68648 SLUDGE TANK CLEANING LOWER REEDY WWTP							

1453

Patti Buchanan

From: Patti Buchanan
Sent: Tuesday, November 18, 2014 4:44 PM
To: jgriffard@hepaco.com
Cc: Randy Boyette
Subject: FW: HEPACO Proposal 68348 ReWa-sludge tank pressure washing
Attachments: HEPACO - LOWER REEDY.pdf

Jackie,
Please find attached PO39524 for the Sludge Tank Cleaning at Lower Reedy. This PO references quote #68648.

If you have any questions, please let me know.

Thank you,

Patti

From: Randy Boyette
Sent: Monday, November 10, 2014 1:00 PM
To: Patti Buchanan
Cc: Kevin James
Subject: FW: HEPACO Proposal 68348 ReWa-sludge tank pressure washing

FYI-Moving forward with this later this week

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We would appreciate it if you would confirm receipt of this proposal via reply email.

Thank you and Have a great day!

Respectfully,



Jackie Griffard
Administrator
HEPACO, LLC

Vendor ID
1111

Vendor Check Name
Brenntag Mid-South, Inc.

Date
05/06/2014

Check Number
025854

Invoice Number	Date	PO Number	Amount	Discount	Paid Amount
BMS717115	04/22/2014	PO35193	\$8,776.44	\$0.00	\$8,776.44
BMS720480	04/24/2014	PO35257	\$6,241.17	\$0.00	\$6,241.17
BMS720481	04/29/2014	PO35288	\$8,382.43	\$79.08	\$8,303.35

Defendant's Exhibit 23



TOTAL:
\$23,320.96

REWA v. IRF_001788

Vendor ID
1111

Vendor Check Name
Brenntag Mid-South, Inc.

Date
05/29/2014

Check Number
026277

Invoice Number	Date	PO Number	Amount	Discount	Paid Amount
BMS733630	05/09/2014	PO35702	\$8,665.01	\$0.00	\$8,665.01
BMS737329	05/19/2014	PO35708	\$941.92	\$8.89	\$933.03

TOTAL: \$9,598.04

Vendor ID 1111	Vendor Check Name Brenntag Mid-South, Inc.	Date 06/03/2014	Check Number 026307
--------------------------	--	---------------------------	-------------------------------

Invoice Number	Date	PO Number	Amount	Discount	Paid Amount
BMS739623	05/19/2014	PO35854	\$8,378.73	\$0.00	\$8,378.73

TOTAL: \$8,378.73

Vendor ID
1111

Vendor Check Name
Brenntag Mid-South, Inc.

Date
07/08/2014

Check Number
026918

Invoice Number

Date

PO Number

Amount

Discount

Paid Amount

BMS768326

06/20/2014

PO36335

\$8,393.55

\$0.00

\$8,393.55

TOTAL:
\$8,393.55

REWA v. IRF_001802

Vendor ID 1111	Vendor Check Name Brenntag Mid-South, Inc.	Date 07/08/2014	Check Number 026918
--------------------------	--	---------------------------	-------------------------------

Invoice Number	Date	PO Number	Amount	Discount	Paid Amount
BMS768326	06/20/2014	PO36335	\$8,393.55	\$0.00	\$8,393.55

TOTAL: \$8,393.55

Vendor ID
1111

Vendor Check Name
Brenntag Mid-South, Inc.

Date
08/14/2014

Check Number
027577

Invoice Number	Date	PO Number	Amount	Discount	Paid Amount
BMS789018	07/21/2014	PO36956	\$696.41	\$0.00	\$696.41
BMS798384	07/24/2014	*Multiple	\$6,290.07	\$0.00	\$6,290.07
BMS804709	08/04/2014	PO37316	\$8,389.84	\$79.15	\$8,310.69
BMS801291	08/04/2014	PO37404	\$1,046.22	\$9.87	\$1,036.35
BMS801290	08/04/2014	PO37458	\$896.76	\$8.46	\$888.30
BMS802376	08/05/2014	PO37448	\$1,494.60	\$14.10	\$1,480.50

TOTAL: \$18,702.32

Vendor ID
1111

Vendor Check Name
Brenntag Mid-South, Inc.

Date
09/18/2014

Check Number
028194

Invoice Number	Date	PO Number	Amount	Discount	Paid Amount
BMS830084	09/03/2014	PO37964	\$8,397.26	\$0.00	\$8,397.26
BMS830083	09/08/2014	PO38142	\$1,526.40	\$14.40	\$1,512.00
BMS833643	09/09/2014	PO38031	\$8,397.26	\$79.22	\$8,318.04

TOTAL: \$18,227.30

REWA v. IRF_001837

Vendor ID
1111

Vendor Check Name
Brenntag Mid-South, Inc.

Date
10/07/2014

Check Number
028497

Invoice Number	Date	PO Number	Amount	Discount	Paid Amount
BMS850733	09/30/2014	PO38506	\$8,404.67	\$79.29	\$8,325.38

TOTAL: \$8,325.38

Vendor ID
1111

Vendor Check Name
Brenntag Mid-South, Inc.

Date
11/06/2014

Check Number
029014

Invoice Number	Date	PO Number	Amount	Discount	Paid Amount
BMS873013	10/28/2014	PO39002	\$8,386.14	\$79.11	\$8,307.03
BMS875764	10/29/2014	PO39107	\$6,272.06	\$59.17	\$6,212.89
DELETE PO36180	10/30/2014	PO36180	\$9,170.36	\$0.00	\$9,170.36
DELETE PO37122	10/30/2014	PO37122	\$9,556.00	\$0.00	\$9,556.00
DELETE PO38004	10/30/2014	PO38004	\$45.06	\$0.00	\$45.06
CMPO36180	10/30/2014	PO36180	-\$9,170.36	\$0.00	-\$9,170.36
CMPO37122	10/30/2014	PO37122	-\$9,556.00	\$0.00	-\$9,556.00
CMPO38004	10/30/2014	PO38004	-\$45.06	\$0.00	-\$45.06

TOTAL: \$14,519.92



Remit To: ReWa Accounts Payable
561 Mauldin Road
Greenville, SC 29607

PO Terms & Conditions published at
<http://rewaonline.org/docs/poterm-conditions.pdf>

Purchase Order No.	PO43514
Date	6/26/2015
Revision Number	
Contract Number	

Vendor: 2445

A&D Environmental Services, LLC
1741 Calks Ferry Rd
Lexington SC 29073-9603
baikins@adeviro.com
(803) 957-0000 (Phone)
(803) 821-6013 (Fax)

Phone: 80395700000000 Fax: 80382160130000

Ship To:

Renewable Water Resources
Mauldin Road WWTP
660 Mauldin Road
Greenville SC 29607

*SCAN/FILE
PCT/Darrell*

Shipping Method	Payment Terms	Confirm With	Page				
BEST WAY	Net 30		Page 1 of 1				
LIN	Item Number	Description / Reference Number	Req. Date	U/M	Ordered	Unit Price	Ext. Price
1	XXS	6/3/15-6/5/15 WASH OUT TANK #7; INV#027136	6/27/2015	EA	1	\$5,272.00	\$5,272.00

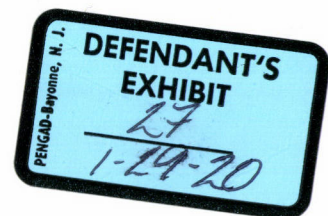
Comments:
From Req/Line: 40459/1 Dept: 3240

Requested By:	Renewable Water Resources
Buyer:	Patti Buchanan

Subtotal	\$5,272.00
Trade Discount	\$0.00
Freight	\$0.00
Miscellaneous	\$0.00
Tax	\$0.00
Order Total	\$5,272.00

Form Rev. 8-8-2013

Complete



Patti Buchanan

From: WorkPlace <purchasing@re-wa.org>
Sent: Friday, June 26, 2015 10:32 AM
To: Patti Buchanan
Subject: Requisition(s) have been Approved.

Renewable Water Resources

The Following Requisition(s) have been Approved, click the Link below to view these Requisition(s):

Requisitioner: Buchanan, Patti

Requisition	Priority	Project	Cost Category	Item	Item Description	Vendor Comment	Internal Com
40459	Regular Purchase	WCRSA00MLDD3240	OSTOP_MPCS	XXS	6/3/15-6/5/15 WASH OUT TANK #7; INV#027136		
40629	Regular Purchase	WCRSA00MLDD3240	OSTOP_MPCS	XXS	6/12/15-CLEAN DECON PAD, STORAGE, TRLR, BINS	INV#027135 JOB#216649	
40774	Regular Purchase	WCRSA00MLDD3240	OSTOP_MPCS]		DECON FILTER PRESS, 6/9/15; INV#027223;JOB#216648		
40775	Regular Purchase	WCRSA00MLDD3240	OSTOP_MPCS	XXS	6/18/15 DECON SYNAGRO TRLR; INV#027225		
40776	Regular Purchase	WCRSA00MLDD3240	OSTOP_MPCS	XXS	6/18/15 DECON 2 FRACS; 1-WEIR; INV#027224		
40958	Regular Purchase	WCRSA00MLDD3240	OSTOP_MPCS	XXS	INV#8664; TANKER WASHOUT 4/25/15	ORDER #0097611	
40959	Regular Purchase	WCRSA00MLDD3240	OSTOP_MPCS	XXS	INV#026568; JOB#216214 - FILTER PRESS OPS	APRIL 2015 / LABOR 4/3/15 - 5/3/15	



A&D Environmental Services (SC) LLC
1741 Calks Ferry Road
Lexington, SC 29073
Phone: (803)957-9175
Fax: (803)821-6020
www.adenviro.com

INVOICE

Invoice Number 027136
Invoice Date June 18, 2015
Due Date 07/18/2015
Terms 30
PO No R40459

Bill To:

Ship To:

REWA
Att Accounts Payable
561 Mauldin Rd
Greenville, SC 29607

REWA
660 Mauldin Rd
Greenville, SC

A&D Job # 216614

Customer # 3465

Page

1 of 2

Description	QTY	Unit	Rate	Amount
06/03/15 - 06/05/15 Provided Wash Out Of Tank # 7				
06/03/15	1.00			0.00
Foreman	8.00	HR	50.00	400.00
Foreman OT	3.50	HR	70.00	245.00
Technician	8.00	HR	40.00	320.00
Technician OT	3.50	HR	60.00	210.00
Technician	8.00	HR	40.00	320.00
Technician OT	3.50	HR	60.00	210.00
Service Truck	1.00	DAY	120.00	120.00
PVC Gloves	3.00	PR	3.00	9.00
White Tyvek	4.00	EA	5.50	22.00
06/04/15	1.00			0.00
Foreman	8.00	HR	50.00	400.00
Foreman OT	2.50	HR	70.00	175.00
Technician	8.00	HR	40.00	320.00
Technician OT	2.50	HR	60.00	150.00
Technician	8.00	HR	40.00	320.00
Technician OT	2.50	HR	60.00	150.00
Service Truck	1.00	DAY	120.00	120.00
PVC Gloves	3.00	PR	3.00	9.00
White Tyvek	3.00	EA	5.50	16.50
06/05/15	1.00			0.00
Foreman	8.00	HR	50.00	400.00
Foreman OT	3.00	HR	70.00	210.00
Technician	8.00	HR	40.00	320.00
Technician OT	3.00	HR	60.00	180.00
Technician	8.00	HR	40.00	320.00
Technician OT	3.00	HR	60.00	180.00
Service Truck	1.00	DAY	120.00	120.00
PVC Gloves	3.00	PR	3.00	9.00
White Tyvek	3.00	EA	5.50	16.50

01-3240-6321-MPCS

REWA v. IRF_012899



A&D Environmental Services (SC) LLC
 1741 Calks Ferry Road
 Lexington, SC 29073
 Phone: (803)957-9175
 Fax: (803)821-6020
 www.adenviro.com

INVOICE

Invoice Number 027136
 Invoice Date June 18, 2015
 Due Date 07/18/2015
 Terms 30
 PO No R40459

Bill To:

Ship To:

REWA
 Att Accounts Payable
 561 Mauldin Rd
 Greenville, SC 29607

REWA
 660 Mauldin Rd
 Greenville, SC

A&D Job # 216614

Customer # 3465

Page 2 of 2

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<p>Remit Payment to P.O. Box 484 High Point, NC 27261</p>	<p>Electronic Payments made to The Private Bank 120 S. LaSalle St. Chicago, IL 60602 (312) 584-2000 Routing # 071006486 Acct # 2248890</p>
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Past due amounts are subject to finance charges of 1.5% per month, plus all costs of collection. Mastercard and Visa accepted, subject to an additional charge of 3%.

Total \$5,272.00

R 40459

Patti Buchanan

From: Kevin James
Sent: Wednesday, June 03, 2015 10:27 AM
To: Patti Buchanan
Subject: R numer

I need an R number for work A&D is doing washing sludge to pump in holding tank #7

STATE OF SOUTH CAROLINA)
) IN THE COURT OF COMMON PLEAS
COUNTY OF GREENVILLE) 2016-CP-23-05905

Renewable Water Resources,)
)
Plaintiff,)
)
vs.)

TRANSCRIPT OF TESTIMONY

Insurance Reserve Fund, a Division)
of the State Fiscal Accountability)
Authority of South Carolina,)
)
Defendant(s).)

HELD VIA ZOOM

May 13, 2020
Greenville, South Carolina

B E F O R E:

HONORABLE CHARLES B. SIMMONS, JR., MASTER IN EQUITY

A P P E A R A N C E S:

William S. Brown, V, Esquire
Attorney for the Plaintiff

Andrew F. Lindemann, Esquire
John Devlin, Esquire
Attorney for the Defendant

*Danette P. Hanks, CCR
Court Reporter*

1 THE COURT: Good morning, gentlemen.
2 MR. DEVLIN: Good morning, Judge.
3 MR. BROWN: Good morning, Your Honor.
4 MR. LINDEMANN: Good morning.
5 THE COURT: I assume John's iPad is Mr. Devlin?
6 MR. DEVLIN: Yes, that's me.

10 COURT REPORTER: I can hear you, yes. I'm here.

11 THE COURT: Okay. Are you with us, Danette?

12 COURT REPORTER: I am; yes, sir.

13 THE COURT: All right. For the record this is 2016-
14 05905; ReWa versus Insurance Reserve. Here today on Plaintiff's
15 motion for costs that was filed April 16, 2020.

16 And gentlemen, let me start by making sure that everyone
17 consents on the record. We are doing this via Zoom
18 teleconference platform, and it is being transcribed by my court
19 reporter, Ms. Hanks. So, Mr. Brown, you and your client are
20 agreeable to using this format; is that correct?

21 MR. BROWN: Yes, Your Honor.

22 THE COURT: All right. Mr. Lindemann?

23 MR. LINDEMANN: Yes, Your Honor.

24 THE COURT: And Mr. Devlin?

25 MR. DEVLIN: I'm with Mr. Lindemann; yes, sir.

1 THE COURT: Okay. Thank you. I want to go over a
2 couple of things. First, we had a conference call with the very
3 fine lawyers on this case on May 4th. And at that point I gave
4 several oral rulings relative to the motions. One was that it
5 was proper, in my opinion, to proceed now with the motion for
6 costs. Second, that the Court was the appropriate person or body
7 to rule on the motion, as opposed to the Clerk of Court.

8 And so the only issue that was carried over until today was,
9 as I recall, two things. First, what interest calculation under
10 15-37-30 because at least a few weeks ago the attorneys were in
11 somewhat of a disagreement about the actual amount. And then
12 second, what costs are recoverable under Rule 54. And under Rule
13 54, generally what costs are recoverable. And specifically what
14 costs are properly recoverable in light of Mr. Brown's motion.
15 And subsequent to that, Mr. Brown has filed, I believe Monday on
16 May 11th, a more detailed itemization.

17 So Mr. Lindemann, perhaps, since you on behalf of your
18 client are the objecting party to the remaining items, it may be
19 better for you just to state your client's position for the
20 record.

21 MR. LINDEMANN: I'll be happy to do that, Your Honor.
22 Your Honor, the principal issue is whether or not -- well, first
23 of all, the first issue is whether or not the Court will carry
24 over -- because I don't know that your preliminary rulings
25 address that -- and if they did I apologize. But obviously Rule

1 54 gives the Court, and since Your Honor is handling this matter
2 in lieu of the Clerk, I would suggest it would give the Court the
3 ability to delay the taxation of costs until after an appeal --
4 the appeal is completed. Rule 54(d) specifically says upon
5 notice that the matter has been appealed the Clerk may delay the
6 taxation of costs until the appeal is completed. And we raised
7 that in our response to the motion for costs.

8 THE COURT: And thank you so much for mentioning that
9 because I did mean to address it. It seems to me in the efforts
10 and the exercise of judicial economy, it seems like now is the
11 appropriate time because otherwise there is some chance that it
12 goes down to Columbia and then they have to send it back on the
13 costs issue. So I'm sending to the best of my ability any and
14 all issues down to our very fine Appellate Court so they can
15 address them all at one time.

16 So what's the next issue?

17 MR. LINDEMANN: The next issue deals with whether or
18 not interest may be properly taxed under Rule 54(e). And Your
19 Honor, for the most part we'll rely on our memorandum which
20 spells out our arguments.

21 But to give the Court the highlights, when the Rules of
22 Civil Procedure were adopted, Rule 54(e) did not exist. Rule
23 54(e) was then adopted as part of amendments to the Rules of
24 Civil Procedure that were promulgated by the Supreme Court and
25 then adopted by the General Assembly in 1993. And that included

1 then Rule 54(e) which sets forth a list of eligible costs. And
2 in fact uses mandatory language. And the provision begins,
3 taxable costs shall include. And the provision dealing with
4 interest is not included among the six items that are stated
5 therein.

6 And our position, of course, is that Rule 54(e) governs
7 rather than any statutes that predated Rule 54(e), including what
8 the Plaintiff is relying on, which is Section 15-37-30. And
9 specifically the notes to the 1993 amendment specifically say,
10 and this is a quote, Rule 54(e) provides a list of taxable costs
11 and is based upon the comparable local federal rule and follows
12 generally the state statutes that previously authorized taxable
13 costs. And it says it followed generally. It doesn't say adopts
14 them. And it certainly suggests that those previous statutes
15 were impliedly repealed because it uses the word previously. As
16 I indicated, Your Honor, the six provisions in Rule 54(e) do not
17 include interest as a taxable cost. Interest is something that
18 is handled separately pursuant to -- it's not handled as a cost
19 under the Rules of Civil Procedure. And I'm not aware of any
20 case that has ever handled, since the Rules of Civil Procedure
21 were adopted, that has handled interest as a taxable cost. There
22 is ---

23 THE COURT: Let me ask Mr. Brown. Mr. Brown, is your
24 client seeking the interest on the judgment as a cost under Rule
25 54 or is it seeking it simply as accruing interest under the

1 statute?

2 MR. BROWN: Well, Your Honor, we think essentially
3 both. The interest between the time in which the Court made the
4 determination of the amount that was due and the entry of
5 judgment, we think is a proper taxable cost pursuant to 15-37-30.
6 And in fact, the case of *Fant versus Jacobs* that we cite in our
7 memo says as much. We also believe that Rule 54(e)(1) expressly
8 says that costs authorized by statute are properly taxable. And
9 so we don't believe that the implied repeal argument is a valid
10 argument in this situation because the language of Rule 54
11 expressly authorizes the award of costs that are authorized by
12 statute. It does not revoke all costs statutes. It, in fact,
13 allows for the same. And the principal of implied revocation in
14 the cases we cited in our memo clearly state that there must be a
15 complete repugnancy. You cannot have a situation where the
16 statutes can co-exist in order to have an implied -- repealing by
17 implication. And in this situation when you read the language of
18 54(e)(1), it does not prevent the statute from being read in
19 conjunction with the Rule; and therefore could never satisfy the
20 threshold for a repeal by implication.

21 We would note, too, that in my preparation I did -- we cite
22 for a different purpose the case of *Peterson versus National*
23 *Railroad Passenger Corporation*. But, Your Honor, that's a 2005
24 Supreme Court case in which our State Supreme Court says that
25 costs may be imposed on the losing party when permitted by

1 statute, which is well after the adoption of the Rule that Mr.
2 Lindemann cites in 1993. This is a 2005 case. So we would
3 contend that we are entitled under the Rule and under the Statute
4 for that interest between the period in which Your Honor made the
5 ruling setting an amount and the time that the Clerk entered the
6 judgment.

7 THE COURT: Mr. Lindemann, let me ask you.

8 MR. LINDEMANN: Yes, Your Honor.

9 THE COURT: Do you agree if the Order is upheld on
10 appeal, which certainly I have every reason to believe it will
11 be; you certainly have every reason to believe it won't be, but
12 if it's upheld on appeal would Plaintiff be entitled to the
13 statutory interest on the judgment?

14 MR. LINDEMANN: Yes, Your Honor, but that's not --
15 that's something that is later determined ---

16 THE COURT: Okay. Here ---

18 THE COURT: And here -- my preliminary ruling is going
19 to be that it's not a cost under Rule 54, but clearly under the
20 statute the interest continued to accrue from the date the Order
21 was entered. But I'm going to look at that one issue. Candidly,
22 I was not aware that that was going to be an issue because when I
23 look at Defendant's Return on page three, I was under the
24 impression that it was the calculation of interest as opposed to
25 whether it was recoverable under 54.

1 But anyway, let's move on into the next issue, Mr.
2 Lindemann.

3 MR. LINDEMANN: Can I just, for the record, Your Honor,
4 mention one point on the *Fant* case?

5 THE COURT: As long as it's brief, yes, sir.

6 MR. LINDEMANN: Very brief. He cites the *Fant* case,
7 Your Honor, and I just wanted to point out to Your Honor that
8 that is the only case that addresses 15-37-30. It is a 1998
9 opinion of the Court of Appeals. But what's critical there is
10 the case -- it says here the case came to trial on June 25, 1984,
11 which was prior to the Rules of Civil Procedure being adopted.
12 This was not a case that was governed by the Rules of Civil
13 Procedure.

14 THE COURT: All right. Yes, sir. Thank you.

15 MR. LINDEMANN: I wanted to make that distinction, Your
16 Honor.

22 MR. LINDEMANN: Your Honor, the specific objections are
23 the costs of the depositions.

24 THE COURT: All right.

25 MR. LINDEMANN: And I cited a case from the Court of

1 Appeals from 1993 called *Black versus Roche Biomedical*
2 *Laboratories*, which indicated that the Court of Appeals indicated
3 deposition costs would likely not be taxable as costs. However,
4 I will very much admit that I missed the *Peterson* case. And
5 Plaintiff's counsel did cite *Peterson versus National Railroad*
6 *Passenger Corporation*; it's a 2005 Supreme Court case. And I do
7 apologize to the Court for that.

8 THE COURT: And in that case, which we didn't address
9 it, they did, at least implicitly, authorize the deposition
10 costs; correct?

11 MR. LINDEMANN: They did. And so I do acknowledge that
12 that case is out there. I am not acknowledging, however, or
13 conceding this point based on the opinion. I don't know that the
14 issue was raised (audio cut out) very short paragraph.

15 THE COURT: Mr. Lindemann, we just lost you for about
16 thirty seconds. Could you ...

17 MR. LINDEMANN: Yes. I was just saying I acknowledge
18 the *Peterson* case does state that the Respondent in that
19 particular case could be awarded deposition costs. What I was
20 indicating to the Court is from the Supreme Court's decision,
21 it's not clear that this argument of implicit repeal by the 1993
22 amendments was even raised to the Court. So I am certainly not
23 conceding that point and want to preserve the issue that 15-37-40
24 was implicitly repealed by the 1993 amendments as discussed in
25 our memorandum. But I do acknowledge that the case exists, and

1 apologize that I missed it. Markedly, it is not cited in the
2 notes to 15-37-40. That's my excuse why I didn't see it.

3 THE COURT: That's fine. Listen, you're a wonderful
4 ---

5 MR. LINDEMANN: It certainly supports the Plaintiff's
6 position, even though I can't -- I don't believe the Supreme
7 Court had before them the implicit repeal argument.

8 THE COURT: All right. I'm going to allow the
9 deposition costs for the following reasons. I think under the
10 *Peterson* case there is an implicit acknowledgement or acceptance
11 of it. Also there's a case *Register versus Duke*, which is 394
12 SE2d 718. And of course the *Black* case, the 433 SE2d 21 we've
13 been discussing. And there's also Volume 7, South Carolina Juris
14 Prudence costs at Section 31 that in my opinion also addresses
15 and indicates that the Appellate Courts would approve of the
16 costs of depositions. So for those reasons I'm going to allow
17 that.

18 And I do believe, Mr. Brown, you withdrew one of the
19 requests for deposition costs. Is that correct?

20 MR. BROWN: Yes, Your Honor. Mr. Jerry Anderson, which
21 was in our original attachment, we withdrew because although we
22 had initially designated portions of his depositions, those were
23 never presented to the Court. So we withdrew that in the amount
24 of four hundred and twenty-eight dollars and seventy-eight cents.

1 objections or anything else we need on the record?

2 MR. LINDEMANN: Your Honor, with the Plaintiff's
3 counsel providing the invoices for the other items, I do not have
4 any objections as to the costs. Even though I don't recall a
5 phone board ever being entered into evidence; I don't believe
6 that a phone board was ever marked as an exhibit and entered into
7 evidence. I don't even recall a phone board being used in that
8 -- in the trial. And I recognize that that's, I think, ninety
9 dollars. But I believe that's up to the Court's record as to
10 whether or not that's an exhibit at trial. I don't believe it
11 was ever marked as an exhibit or even used.

12 THE COURT: Mr. Brown, if you would start working on a
13 proposed Order. And if you would draft it as such to where on
14 the interest question that I'm declining to adopt that Rule 54
15 allows it. But clearly note that the Statute does provide it
16 from the date -- as a matter of law from the date the Order is
17 entered, the clock is ticking.

18 So if you could have that emailed to Ms. Hanks, my court
19 reporter, in the next -- I was getting ready to say ten minutes
20 -- even that might be a little ambitious. How about in the next
21 ten days.

22 MR. BROWN: Your Honor, we'll be glad to do that.

23 THE COURT: Is there anything else we need to address
24 at this point, gentlemen?

1
2
3
4
5
6

MR. DEVLIN: No, sir.

THE COURT: All right. Thank y'all so much.

MR. LINDEMANN: Thank you, Your Honor.

-----END OF REQUESTED TRANSCRIPT OF RECORD-----

1 The undersigned, Danette P. Hanks, Court Reporter, Office of
2 Master in Equity for Greenville County, South Carolina do hereby
3 certify that the foregoing is a true, accurate and complete
4 Transcript of Record of all of the proceedings had and evidence
5 introduced in the hearing of the captioned case, relative to
6 appeal, before The Honorable Charles B. Simmons, Jr., as Master
7 in Equity for Greenville County, South Carolina on the 13th day
8 of May, 2020.

9 I do further certify that I am neither of kin, counsel, nor
10 interest to any parties hereto.

11
12
13
14

July 22, 2020

Danette P. Hanks
Danette P. Hanks, CCR

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
)
COUNTY OF GREENVILLE) C.A. NO. 2016-CP-23-5905

Renewable Water Resources,)
)
Plaintiff,)
Versus)
)
Insurance Reserve Fund, a Division of)
the State Fiscal Accountability)
Authority of South Carolina,)
Defendant.)

DEPOSITION OF
FREDERICK RONALD YOUNG

Pursuant to Notice of Deposition and/or agreement in the above-entitled case, the deposition of FREDERICK RONALD YOUNG was taken on the 23rd day of July, 2018, commencing at the hour of 9:26 AM, in the offices of Devlin & Parkinson, Attorneys at Law, Greenville, South Carolina.

REPORTED BY: Rosalind Poole Walters, CVR-M

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Certified Verbatim Reporters
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1 STIPULATIONS:

2 It is agreed by and between the counsel for the parties as
3 follows:

- 4 1. That this deposition is being taken pursuant to Rule 30
5 of the South Carolina Rules of Civil Procedure;
- 6 2. That the deponent waives the right to read and sign the
7 deposition transcript.

8 *****

9 FREDERICK RONALD YOUNG, being duly sworn to tell the truth,
10 the whole truth, and nothing but the truth of his own
11 knowledge concerning the matter herein, testified as
12 follows:

13 *****

14 EXAMINATION BY MR. BROWN:

15 Q. Mr. Young, my name is William Brown. We met just a
16 little while ago. I'm here to ask you some questions.
17 It's my understanding you have not been deposed before.
18 Is that correct?

19 A. That's correct.

20 Q. The purpose of the deposition is simply to gather
21 information. So if at any time I ask you a question
22 that you don't understand for any reason whatsoever,
23 please stop me. Ask me to rephrase it, repeat it,
24 break it down so that you in fact do understand the
25 questions that I'm asking. Is that fair?

1 A. No. This was the documentation that I had forwarded to
2 them through trying to reconstitute the file through e-
3 mails and, I guess, information they received from the
4 Insurance Reserve Fund.

5 Q. And just as another matter of housekeeping, if at times
6 I use the term ReWa as opposed to Renewable Water
7 Resources, do you understand that those are synonymous?

8 A. Yes, sir.

9 Q. And if I use the term IRF instead of Insurance Reserve
10 Fund, do you also understand those terms are
11 synonymous?

12 A. Yes.

13 Q. Can you give your full name, please?

14 A. Frederick, F-r-e-d-e-r-I-c-k, Ronald Young.

15 Q. And where do you live?

16 A. 110 Clark Hill Drive, Inman, 29349.

17 Q. And where do you work?

18 A. Quality Claim Services.

19 Q. Where is that physically located?

20 A. On 2434 Hudson Road, Suite 203, Greer, South Carolina.

21 Q. How long have you worked there?

22 A. Approximately 20 years.

23 Q. What is your job title?

24 A. Adjuster.

25 Q. Do you have any ownership interest in that company?

1 Q. And what did Jerry tell you needed to be done?

2 A. Well, just to go see what's going on, collect the
3 information that is pertinent to the loss and any of
4 the documentation of the damages and present it to him.

5 Q. On Exhibit 1 there's a policy number provision. Were
6 you provided a copy of that policy?

7 A. I was not.

8 Q. Were you provided a copy of any policy?

9 A. No, sir.

10 Q. Do you know when ReWa reported the damages to its
11 facilities regarding the PCB contamination to the IRF?

12 A. I would assume it was the day that I received the
13 assignment. Now, if it arrived there a day or two
14 before, I can't tell you that.

15 Q. No one told you specifically when that claim or when
16 that notice was provided by ReWa?

17 A. No, sir.

18 Q. Did anyone tell you the details of what ReWa presented
19 in its notice or what they asked the IRF to do?

20 A. Jerry and I discussed the claim. When he called me on
21 the 11th to tell me he was giving me this assignment,
22 we discussed what he had received from the Insurance --
23 I mean from ReWa.

24 Q. And what---

25 A. That it was a PCB contamination and that he wanted me

1 to go and do a full investigation.

2 Q. And that's the scope of what you were told?

3 A. We discussed the coverage issues.

4 Q. What did you discuss in regard to the coverage issues?

5 A. That there may be coverage issues with this claim.

6 We're looking for what the damages are and what caused
7 the damages.

8 Q. And what did you understand to be the coverage issues?

9 A. There had to be physical damage to the covered
10 property.

11 Q. Any other coverage issues that y'all discussed?

12 A. The cause or the origin of the loss.

13 Q. What did you discuss in that regard?

14 A. What was it and is it a covered loss, is it covered
15 under the terms of the contract.

16 Q. So we have whether there was physical damage to covered
17 property and whether the loss was caused by a covered
18 cause of loss. Those are the two coverage issues y'all
19 discussed?

20 A. Those were the two main issues, yes.

21 Q. Were there any other coverage issues that you recall
22 discussing?

23 A. I don't recall.

24 Q. Did you have any communications with counsel for the
25 IRF prior to the filing of the lawsuit?

1 Q. Do you know who actually made the determination of
2 whether there was coverage for the loss and damage
3 suffered by ReWa?

4 A. To the best of my knowledge, it was Jerry Anderson.

5 Q. Do you know when that determination was made?

6 A. No, sir.

7 Q. Do you believe you provided information to be
8 considered as part of that determination?

9 A. Yes, sir.

10 Q. would that information be through the reports you
11 submitted?

12 A. Absolutely.

13 Q. would there be any other source of information you
14 provided which would have gone towards the coverage
15 determination?

16 A. The documentation provided by the insured.

17 Q. That would have been the insured provided you
18 information that you forwarded to the IRF?

19 A. That's correct.

20 Q. And that would have come through the e-mails which we
21 have marked as Exhibit 2?

22 A. If there's not any that's missing, yes. Okay? There
23 is a possibility there are some missing because, like I
24 said, my AOL, part of it was missing. I primarily
25 worked with Ms. Patricia Dennis and Brenda Page.

1 enclosures. The first is a series of photographs.

2 Correct?

3 A. That's correct.

4 Q. And did you personally take those photos?

5 A. Yes, I did.

6 Q. And the second is an accounting?

7 A. Correct.

8 Q. Is that an accounting that was provided to you by Rewa?

9 A. That's correct.

10 Q. And that's a breakdown of their expenses to date as of
11 October 15?

12 A. That's correct.

13 Q. Did Rewa regularly provide you updates to their
14 accounting or report of expenses?

15 A. Almost on a monthly basis. Sometimes they would miss
16 for a month, but generally almost monthly.

17 Q. On the second page it notes who you met with at the
18 Mauldin Road facility.

19 A. It was actually their headquarters. The facility is
20 across the street.

21 Q. Does this first report specifically note that you went
22 to the Pelham facility or the Lower Reedy facility?

23 A. No, it doesn't, but my pictures will show that, though.
24 They are dated.

25 Q. So if you look at picture number 17, is that from the

1 Pelham facility?

2 A. I can't really tell you. It's in the series of
3 pictures that I took at the facilities.

4 Q. But you captioned that one Pelham Road off to the left.

5 A. You're looking at picture 34?

6 Q. Picture number 17.

7 A. Oh, 17. I'm sorry. I went to page 17. That's -- if
8 that's what I have, that's what I put. I went to three
9 different sites that day. Could I have gotten the
10 pictures mixed up? Maybe, but I don't think so.

11 Q. I don't see any picture that specifically indicates
12 that it's Lower Reedy plant. As you sit here today,
13 can you distinguish which pictures were which facility?

14 A. No.

15 Q. The pictures say next to them date taken 10/11/13, but
16 your report says your meeting with ReWa was on
17 10/12/13.

18 A. That would have probably been my mistake. It was 10/12
19 when I took the photos. Okay? That's when I met with
20 them.

21 Q. Did any of the individuals from ReWa go with you to the
22 Lower Reedy and the Pelham facilities?

23 A. No.

24 Q. You went on your own?

25 A. No. They had a supervisor meet me there.

1 Q. And if you look at the second page of your report, the
2 first paragraph ends with the sentence, "They have
3 holding tanks, pumping facilities, and drying equipment
4 contaminated at all three locations mentioned above."
5 Do you see that?

6 A. Yes.

7 Q. And those three locations would have been the Mauldin
8 Road, Lower Reedy, and Pelham facilities that you
9 visited. Is that fair?

10 A. That's correct.

11 Q. So as of that first meeting or at least by the time you
12 prepared this report October 15th, you understood that
13 those were the types of equipment and facilities that
14 were contaminated?

15 A. At that time, that was the best of my knowledge, yes.

16 Q. The property damage section right below that, can you
17 read that first sentence for me?

18 A. "At the present time, it is not clear if there is any
19 property damage or not."

20 Q. What did you mean by that?

21 A. Any physical damage to the equipment.

22 Q. Did the IRF provide you with a specific definition of
23 property damage in making that sentence?

24 A. No, sir.

25 Q. What definition did you use?

1 A. I was looking for the PCBs to cause some specific
2 physical damage to where it either caused the machine
3 to fail or if there was some kind of physical damage
4 that they had to stop and repair.

5 Q. Were the holding tanks, pumping facilities, and drying
6 equipment usable in the contaminated condition they
7 were in?

8 A. Can you restate your question?

9 Q. I'll break it down. The holding tanks, could they be
10 used in their ordinary and intended purposes in the
11 contaminated state they were in as of the middle of
12 October 2013?

13 A. Not with the PCBs still in the tanks.

14 Q. And, likewise, the pumping facilities---

15 A. Same thing.

16 Q. And, likewise, the drying equipment---

17 A. Same thing.

18 Q. So all three could not be used?

19 A. Unless they were emptied.

20 Q. Are you aware of any enforcement proceedings which were
21 instituted by South Carolina DHEC or EPA against ReWa
22 concerning the PCB contamination?

23 A. At the time of my report, there was a criminal
24 investigation going on.

25 Q. Against whom?

1 Q. This report, Exhibit 5, in February of 2014 mentions
2 that it attaches a Rewa loss accounting. Do you see
3 that?

4 A. Yes.

5 Q. Again, would that have been the basic close-to-monthly
6 accounting report that Rewa provided?

7 A. Yes.

8 Q. And that it includes a waste Management cleanup
9 contract and invoice and three newspaper articles?

10 A. That's correct.

11 Q. Do you still have in your file the waste Management
12 cleanup contract and invoice?

13 A. I do not.

14 Q. And do you have any of these three articles still in
15 your file?

16 A. To the best of my knowledge, I do not.

17 Q. And the monthly accounting documents that would have
18 been e-mailed to you, do you still have copies of
19 those?

20 A. No.

21 Q. In the coverage section there is a statement at the end
22 of that sentence that says, "All the segments have not
23 been identified yet." Do you see that?

24 A. Yes.

25 Q. What do you mean by that?

1 insured may have been holding back on the information
2 they were supposed to be sharing with us." Other than
3 what we just discussed with the Waste Management
4 contract, was there anything else you believed was
5 being held back, in your words?

6 A. It was at the meeting I was in agreement that they
7 would keep me in the loop as to the process that was
8 going to have to be done to bring the facility back up
9 to operation. That included any costs or anything that
10 was going to be done. And when I saw this, a red flag
11 came up. I made the phone call, and they sent me the
12 documents, and I made this report.

13 Q. Other than the Waste Management material, was there
14 anything else you believed was being held back?

15 A. I think they were putting a lot of expenses in there
16 that shouldn't have been in there.

17 Q. But they were providing you the information of those
18 expenses. Correct?

19 A. No. Just the accounting. I didn't get the invoices.

20 Q. So you believe you should have been getting invoices
21 for all the expenses?

22 A. I wasn't -- I didn't ask for the invoices. This was
23 still a coverage question.

24 Q. So was there anything else that you asked for that you
25 were not provided?

1 do not agree with some of the costs, but it can be
2 handled after coverage decision is made." Do you see
3 that?

4 A. Yes, sir.

5 Q. What costs did you not agree with?

6 A. There was training costs, a lot of training costs in
7 there. There were some other costs that I can't
8 remember right now, but there was three or four items I
9 didn't agree with.

10 Q. Training costs is one of them. You don't recall what
11 any of the other ones were?

12 A. No, I don't.

13 Q. And, again, ReWa was in the process of basically
14 monthly updating the expenses it was spending?

15 A. As they incurred the expenses they did a monthly
16 report. Like I said, sometimes, once or twice she'd
17 miss and catch up.

18 Q. Did you have a complaint about the timeliness of this
19 accounting information from ReWa?

20 A. No, sir, I didn't.

21 Q. And the last half of that sentence we just read, "it
22 can be handled after a coverage decision is made." So
23 as of February 23, 2014 when this e-mail was sent, no
24 coverage determination had been made, to your
25 knowledge?

1 Q. Again, you were never provided a copy of the
2 declaration page to see if they were listed as covered
3 property?

4 A. No.

5 Q. Were you ever asked to make any assessment or provide
6 input regarding whether or not the cause of the loss
7 was a covered cause of loss?

8 A. Yes.

9 Q. And what did you do in that regard?

10 A. At the time after talking with Jerry during the first
11 of the assignment, he explained to me what he felt was
12 a covered loss, and we determined or he asked me to
13 collect the information so that we could determine what
14 caused the loss and if it would be a covered loss.

15 Q. And what did Jerry Anderson tell you that he had
16 determined would be a covered loss?

17 A. He actually didn't say this is it, but he did say that
18 we need physical damage to the facilities by the
19 contaminant.

20 Q. But did he specifically talk about the cause of the
21 loss?

22 A. The cause of the loss would have been the contaminants.

23 Q. Did Jerry Anderson tell you that?

24 A. We had a discussion about it. I don't know if it was
25 specifically said that way, but we did talk about what

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
)
COUNTY OF GREENVILLE) C.A. NO. 2016-CP-23-5905

Renewable Water Resources,)
)
Plaintiff,)
)
Versus)
)
Insurance Reserve Fund, a Division of)
the State Fiscal Accountability)
Authority of South Carolina,)
)
Defendant.)

DEPOSITION OF
ROBERT WOODSON BYERS

Pursuant to Notice of Deposition and/or agreement in the above-entitled case, the deposition of ROBERT WOODSON BYERS was taken on the 24th day of July, 2018, commencing at the hour of 9:35 AM, in the offices of Devlin & Parkinson, Attorneys at Law, Greenville, South Carolina.

REPORTED BY: Rosalind Poole Walters, CVR-M

LEGAL EAGLE
Post Office Box 5682
Greenville, South Carolina 29606
(864) 587-7050 or (864) 467-1373
depos@legaleagleinc.com

1 STIPULATIONS:

2 It is agreed by and between the counsel for the parties as
3 follows:

- 4 1. That this deposition is being taken pursuant to Rule 30
- 5 of the South Carolina Rules of Civil Procedure;
- 6 2. That the deponent waives the right to read and sign the
- 7 deposition transcript.

8 *****

9 ROBERT WOODSON BYERS, being duly sworn to tell the truth,
10 the whole truth, and nothing but the truth of his own
11 knowledge concerning the matter herein, testified as
12 follows:

13 *****

14 EXAMINATION BY MR. BROWN:

15 Q. Mr. Byers, can you state your full name for the record,
16 please?

17 A. Sure. Robert Woodson Byers.

18 Q. Have you been deposed previously?

19 A. Yes.

20 Q. well, I'm going to briefly go over the rules of the
21 deposition.

22 A. Sure.

23 Q. I'm here to ask you a series of questions to gather
24 information from you. I'm not trying to trick you or
25 confuse you.

1 Q. How long have you lived there?

2 A. Going on 14 years.

3 Q. Did you grow up in the Roebuck, Spartanburg County
4 area?

5 A. I am 47. I've lived there 45 years of my life.

6 Q. And where do you work?

7 A. At the Insurance Reserve Fund.

8 Q. And is your office physically in Columbia?

9 A. Correct.

10 Q. What is your job title?

11 A. Senior claims representative.

12 Q. How long have you held that title?

13 A. A year.

14 Q. Did you have a title with the IRF before that?

15 A. Claims examiner two.

16 Q. How long did you hold that title?

17 A. Two and a half years.

18 Q. Let me back up a second. What's your educational
19 background?

20 A. Four years of college, University of South Carolina
21 Spartanburg.

22 Q. Did you get a degree from USC Spartanburg?

23 A. Correct.

24 Q. What was your degree in?

25 A. History, political science.

1 Q. Say that again?

2 A. We have not with regard to the amount of what the
3 damages are that are claimed.

4 Q. What additional information do you believe the IRF
5 needs to make a coverage determination?

6 A. Well, from the spreadsheets of what we've seen so far,
7 I mean, there is a lot of information that gets lumped
8 into just the overall claim. We're looking to gather
9 the information that deals directly with each of the
10 three segments that are damaged.

11 Q. Is there specific information which you believe relates
12 to a segment that is not part of the claim?

13 A. Can you repeat the question, again?

14 Q. Let me back up. You mentioned spreadsheets. Is it
15 fair to say that Rewa has provided accounting
16 information of the expenses that it has spent over
17 time?

18 A. They continue to give us ongoing spreadsheets. So
19 basically they're considering that their loss is not
20 complete.

21 Q. And so the spreadsheets they were giving you began
22 sometime in 2013. Correct?

23 A. I'd have to look back at that, but they started giving
24 us spreadsheets.

25 Q. And they gave them essentially monthly for at least a

1 A. Is it directly physically damaged?

2 Q. Were you provided a definition of damage to use in your
3 work at the IRF?

4 A. We have the policies themselves that we would refer to.

5 Q. And is the term damage defined within the policy?

6 A. There is direct or physical modified by the other
7 policy.

8 Q. When you say modified by the other policy, what other
9 policy?

10 A. Cause of Loss Special Form. So the policies go
11 together.

12 Q. And in any of that, is the term damage defined?

13 A. I don't know. I'd have to take a look back at the
14 policy. I mean, you know, I don't recall that it's got
15 a dictionary definition of it at all there. I think it
16 says direct physical damage.

17 Q. But my question is, is the term damage a defined term
18 within the policies, to your knowledge?

19 MR. DEVLIN:

20 Objection. Asked and answered.

21 EXAMINATION RESUMED BY MR. BROWN:

22 A. May I take a look at one of the policies, which one
23 you're referring to?

24 (Plaintiff's Exhibit 1 marked)

25 EXAMINATION RESUMED BY MR. BROWN:

1 Q. I've handed you a document which we've marked as
2 Exhibit 1, which is entitled Building and Personal
3 Property Coverage Form.

4 A. Okay.

5 Q. would that in fact be the property coverage at issue in
6 the Rewa claim?

7 A. Yes.

8 Q. Is the term damage defined within this document?

9 A. Let's see. I do not see that defined. It says,
10 physical loss of or damage covered to property. So as
11 far as a definition it does not have that that I see.

12 Q. If there are terms used in the policies that you are
13 asked to interpret that are not defined within those
14 policies, where do you go to obtain a definition to use
15 in that interpretation?

16 A. well, this gives you what is covered property. So then
17 we would go to the Causes of Loss Special Form.

18 Q. To define damage or to define the cause of the loss?

19 A. To see what exclusions would apply to it.

20 Q. My question isn't related to exclusions. My question
21 is related to definitions of terms within the policy.

22 A. I do not see where it's defined.

23 Q. If there is a term that is undefined within the policy,
24 where do you go or where are you instructed by the IRF
25 to go to obtain a definition to use in that

1 interpretation?

2 A. Well, as I said there, this form goes along with
3 another one, the PD-05 form. So that's where we go
4 ahead. I mean, this goes ahead and gives us, you know,
5 a synopsis of what's defined as covered property.

6 Q. I understand that response, but that's not my question.
7 My question is, if there is a term used in the policy
8 that is not defined by the policy, where does the IRF
9 instruct you to go to obtain a definition to use in
10 interpreting that undefined term?

11 A. We don't have anything that tells us where to go.
12 That's why we go ahead and we use both sets of policies
13 that are provided to us.

14 Q. So do you believe that the Cause of Loss Form would
15 provide a definition of damage?

16 A. It tells us what the exclusions are with regards to it,
17 as well.

18 Q. Well, exclusions isn't my question. My question is
19 definitions of terms. Do you believe that the Cause of
20 Loss Special Form contains a definition of the term
21 damage?

22 A. I don't think that it goes ahead and expressly gives
23 you a Webster's dictionary version of damage with
24 regards to it.

25 Q. So if a term is not defined, would you go to a

1 dictionary such as a Webster's dictionary to define
2 that term in your interpretation of the policy
3 language?

4 A. No.

5 Q. Where would you go to find a definition of damage in
6 order to interpret the undefined term?

7 A. Hence, that's why we go ahead and we take a look at
8 both sets of policies with regards to any type of loss.

9 Q. When you say both sets of policies, you're talking
10 about the Cause of Loss Form?

11 A. Correct, the Special Loss Form.

12 (Plaintiff's Exhibit 2 marked)

13 EXAMINATION RESUMED BY MR. BROWN:

14 Q. I've handed you a document which we've marked as
15 Exhibit 2. Can you show me any language within Exhibit
16 2 which defines damage to be used in interpreting the
17 Exhibit 1 coverage form?

18 A. There is not a specific one that's in the dictionary,
19 that would be a dictionary usage.

20 Q. Let me make sure I understand that. The Cause of Loss
21 Special Form which we've marked as Exhibit 2 does not
22 define damage, does it?

23 A. It states direct physical loss, but no, as regards to
24 damage, no.

25 Q. And, therefore, in your interpretation of a policy that

1 uses the term damage, where do you go to get a
2 definition of damage to use in that interpretation?

3 A. Well, I would look at what the covered property is
4 there, and then I would take a look and apply what the
5 exclusions would be. As far as you're asking me a
6 question of is there a definition of damage or would I
7 have to go to the dictionary, no, I would not go to the
8 dictionary, because I think this lays out what is
9 covered property and then what exclusions you would
10 apply to it. Anything else I would be speculating on.

11 Q. If you know what is covered property, how does that
12 help you in defining what damage means?

13 A. You would look through the policy. One, it would tell
14 you what covered property is, the first part of it
15 there, do we have covered property. Then is it a
16 covered cause of loss. You would apply the exclusions
17 that would be applicable here. And then you'd make
18 your coverage determination.

19 Q. All right, let me back up a second. Let me see if I
20 can come at it from a different direction. If you look
21 at Exhibit 1 under the provision that says Coverage
22 with a capital A there on the first page.

23 A. Yes.

24 Q. Do you see that? The provision says, we will pay for
25 direct physical loss of or damage to Covered Property

1 there to be coverage under this policy, and what I am
2 asking about is solely about the first part, direct
3 physical loss of or damage to property. I'm not asking
4 about whether it's covered property. I'm not asking
5 whether it's on the declaration page. I'm not asking
6 whether the cause of loss is a covered cause of loss at
7 this stage. I'm just asking about that first
8 requirement, is there direct physical loss of property
9 or damage to property. Okay? Does that make sense to
10 you?

11 A. Mm-hmm.

12 Q. All right. In making an assessment as to whether there
13 is direct physical loss of or damage to property, what
14 definition of damage do you use?

15 A. As far as a definition, there's not one listed in the
16 policy with regards to it. It does say direct physical
17 loss, and then from this policy, once we go ahead and
18 we establish that we've got covered property that we
19 are collecting premium on per the dec page there, we
20 refer over here to see if it's got an exclusion that
21 would not cover it where it says direct physical loss
22 to, because this modifies this part here.

23 Q. Again, I understand your testimony that you have to go
24 through the other steps about covered property. That
25 is not what I'm asking you. My question is, give me

1 the definition of damage you use in interpreting this
2 policy. Just tell me what is damage. What does that
3 word mean when you interpret this policy?

4 A. Somebody's made a claim that they are not able to use
5 something or that it's damaged when the person first
6 calls a claim in.

7 Q. So when you interpret the term damage, do you use its
8 ordinary and common meaning in interpreting that term?

9 A. Every claim is different. I take a look at this part
10 here of what the person's claiming as damaged property.
11 Then I have to go back to the Cause of Loss Special
12 Forms and take a look at it from there.

13 Q. When you say every claim is different, do you intend to
14 mean that your interpretation of the term damage would
15 change from claim to claim?

16 A. Well, what the person is claiming damage there might
17 not always be damage. That's why we have exclusions
18 and everything that would go in between there and we
19 take a look at it.

20 Q. And that's what I'm getting at. If you contend that
21 certain things are not damage, you have to have a
22 definition as to what damage is to determine whether it
23 falls within that definition. I'm asking you to give
24 me what is the definition of damage that you use as a
25 measuring stick to determine whether the claim involves

1 claim, what is the definition of damage that you use
2 for that interpretation?

3 A. Was it damaged by an act of vandalism.

4 Q. Now, you're talking about the cause of the damage. My
5 question is not what was the cause or what was the
6 property damage. My question is simply what is the
7 definition of damage.

8 A. Is there damage there with regards to that you're not
9 able to use it anymore.

10 Q. And just so I'm clear, the term damage is not defined
11 within the building policy which we marked as Exhibit
12 1. Correct?

13 A. Correct.

14 Q. And the term damage is not defined in the Cause of Loss
15 Special Form what we marked Exhibit 2. Correct?

16 A. It says direct physical loss, but as far as damage
17 itself being defined in the definitions, no.

18 Q. Does ReWa have anywhere a written policy or manual
19 which would provide a definition for damage?

20 MR. DEVLIN:

21 You said ReWa.

22 EXAMINATION RESUMED BY MR. BROWN:

23 Q. Excuse me. I apologize. Does the IRF have a policy or
24 manual which would provide a definition of damage for
25 you to use in evaluating claims?

1 monthly report from ReWa. Is that correct?

2 A. Correct.

3 Q. Would you agree that ReWa was sending these accountings
4 essentially monthly?

5 A. Correct.

6 Q. Do you have any complaint about the timeliness of the
7 accounting information that ReWa was sending to the
8 IRF?

9 A. No. They sent them every month.

10 (Plaintiff's Exhibit 4 marked)

11 EXAMINATION RESUMED BY MR. BROWN:

12 Q. I've handed you a document which we've marked as
13 Exhibit 4 to your deposition.

14 A. Correct.

15 Q. Which is a report from Quality Claim Services, Inc., in
16 particular sent by Fred Young at Quality Claim
17 Services. Correct?

18 A. Correct.

19 Q. And although the address says Jerry Anderson on it, the
20 salutation says Dear Rob?

21 A. Correct.

22 Q. And by November 6, 2014, you were the person handling
23 or responsible for the ReWa claim. Correct?

24 A. Correct.

25 Q. So the address to Jerry Anderson is probably just a

1 typo?

2 A. Correct.

3 Q. And then within the body of this it says, As per your
4 instruction today's date I'm closing my file and
5 submitting my file invoice for services for your
6 consideration. Did I read that correctly?

7 A. Yes.

8 Q. So in early November you provided instructions to Fred
9 Young to close his file?

10 A. Correct.

11 Q. And why was that?

12 A. Because they were sending the same thing to me
13 directly, as well.

14 Q. So you were getting the --

15 A. Monthly.

16 Q. -- accounting information monthly directly as well as
17 through Fred?

18 A. Correct.

19 Q. Was there any additional information that the IRF
20 thought needed to be collected by a field adjuster at
21 this stage?

22 A. No.

23 Q. The report indicates three enclosures. The first is
24 accounting for October 2014. would that be basically
25 what we've described as the monthly accounting from

1 ReWa?

2 A. Correct.

3 Q. And then the next two are an activity sheet and a
4 services invoice. That would basically be a log of
5 what Fred Young had done and a bill for that activity?

6 A. Correct.

7 Q. Within the next paragraph below that there's the
8 statement, As we both agree, there may be some items
9 and categories in the accounting we would not agree
10 with as being related to the claim for contamination.
11 Do you see that?

12 A. Correct.

13 Q. Did you have conversations before this time with Fred
14 Young about the accountings and the items and
15 categories within it?

16 A. We had one or two telephone calls. I could not recall
17 how many.

18 Q. Do you recall any conversations which specifically
19 related to items or categories within the accountings
20 provided by ReWa?

21 A. No.

22 Q. Do you recall any items or categories within those
23 accounting documents which you thought were unrelated
24 to the contamination?

25 A. Without taking a look back I would not know.

1 reference in addition to what is in that e-mail of the
2 27th?

3 A. No, I do not.

4 Q. Was this the first time that the IRF had informed Rewa
5 of any coverage determination?

6 MR. DEVLIN:

7 Object to the form of the question.

8 EXAMINATION RESUMED BY MR. BROWN:

9 Q. You can go ahead and answer.

10 A. I don't recall there if there was any other
11 determination made prior to my coming on board.

12 Q. Was this the first time you had informed Rewa of any
13 coverage determination regarding the claim?

14 A. Again, I don't recall if they had anything else. I was
15 just explaining to her where we were in the claims
16 process at this time.

17 Q. If you'll look back with me at Exhibit 8, there is an
18 e-mail on the page that says 1365 on it.

19 A. 1365, okay.

20 Q. From Patricia Dennis dated Friday, October 24th. Do
21 you see that one?

22 A. 3:20 entry, PM?

23 Q. 3:20 PM, yes.

24 A. Correct.

25 Q. And in that Ms. Dennis states that a PCB claim had been

1 A. Okay.

2 Q. And it indicates that one of those accountings was sent
3 as of then. So they were sending them roughly through
4 that time at least?

5 A. Correct.

6 Q. If you look on page numbered 1395?

7 A. Okay.

8 Q. There's an entry dated 8/17/2005?

9 A. Okay.

10 Q. And the statement says, work to be done: See if they
11 have a realistic breakdown of what might be covered?

12 A. Correct.

13 Q. What does that mean?

14 A. Meaning separating out the segment numbers themselves
15 and breaking down the costs for each associated
16 segment.

17 Q. Did you evaluate how much general coverage there was
18 per segment? Did you look to see how much coverage
19 there was per segment?

20 A. At one time, yes.

21 Q. Do you believe that the amounts at issue in the ReWa
22 accounting exceed any of the segment coverages?

23 A. No.

24 Q. If the total claim was within the limits of each and
25 every one of the three segment coverages, what would

1 extensive review of your coverage we have determined
2 that it does have limited coverage under a certain form
3 due to vandalism?

4 A. Correct.

5 Q. So that was the determination you made, that the cause
6 of loss was due to vandalism?

7 A. Correct.

8 Q. And then after that it quotes the same language that
9 you had cut and pasted into the e-mail a couple days
10 previously to ReWa. Is that fair?

11 A. Correct.

12 Q. Other than the provision you had previously cut and
13 pasted, do you cite to any other provision of the
14 building and property policy in your coverage opinion
15 letter?

16 A. No, it does not.

17 Q. And does your letter state expressly why coverage for
18 additional expenses submitted by ReWa are not covered?

19 A. It does not.

20 Q. Why not?

21 A. Because at the time we were looking at the -- what
22 coverages we could apply to that. Just because we
23 issued the proof of loss does not mean the claim is
24 over.

25 Q. And the amount of expenses that ReWa had submitted to

1 February of 2013.

2 Q. Did anyone at the IRF ever tell you that the ReWa
3 buildings were usable in their condition contaminated
4 with PCBs?

5 A. I don't recall.

6 Q. Going back to Exhibit 1 a minute, again, Exhibit 1 is
7 the building and personal property coverage terms.
8 Correct?

9 A. Correct.

10 Q. One of the terms that's laid out and defined is what is
11 covered property. Correct?

12 A. Correct.

13 Q. Did anyone at the IRF ever tell you that the holding
14 tanks and the facilities at ReWa which were
15 contaminated with PCBs were not covered property?

16 A. No.

17 Q. Did you ever take the position that the holding tanks
18 and facilities at ReWa that were contaminated with PCBs
19 were not covered property?

20 A. No.

21 Q. Are you aware of anyone at the IRF ever taking the
22 position that the holding tanks and other facilities at
23 ReWa that were contaminated with PCBs were not covered
24 property?

25 A. Not to my knowledge.

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
)
COUNTY OF GREENVILLE) C.A. NO. 2016-CP-23-5905

Renewable Water Resources,)
)
Plaintiff,)
)
Versus)
)
Insurance Reserve Fund, a Division of)
the State Fiscal Accountability)
Authority of South Carolina,)
)
Defendant.)

DEPOSITION OF
ROBERT WOODSON BYERS

Pursuant to Notice of Deposition and/or agreement in the above-entitled case, the deposition of ROBERT WOODSON BYERS was taken on the 24th day of July, 2018, commencing at the hour of 9:35 AM, in the offices of Devlin & Parkinson, Attorneys at Law, Greenville, South Carolina.

REPORTED BY: Rosalind Poole Walters, CVR-M

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1 STIPULATIONS:

2 It is agreed by and between the counsel for the parties as
3 follows:

- 4 1. That this deposition is being taken pursuant to Rule 30
5 of the South Carolina Rules of Civil Procedure;
6 2. That the deponent waives the right to read and sign the
7 deposition transcript.

8 *****

9 ROBERT WOODSON BYERS, being duly sworn to tell the truth,
10 the whole truth, and nothing but the truth of his own
11 knowledge concerning the matter herein, testified as
12 follows:

13 *****

14 EXAMINATION BY MR. BROWN:

15 Q. Mr. Byers, can you state your full name for the record,
16 please?

17 A. Sure. Robert Woodson Byers.

18 Q. Have you been deposed previously?

19 A. Yes.

20 Q. Well, I'm going to briefly go over the rules of the
21 deposition.

22 A. Sure.

23 Q. I'm here to ask you a series of questions to gather
24 information from you. I'm not trying to trick you or
25 confuse you.

Plaintiff's Deposition Designations

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1 Q. How long have you lived there?

2 A. Going on 14 years.

3 Q. Did you grow up in the Roebuck, Spartanburg County
4 area?

5 A. I am 47. I've lived there 45 years of my life.

6 Q. And where do you work?

7 A. At the Insurance Reserve Fund.

8 Q. And is your office physically in Columbia?

9 A. Correct.

10 Q. What is your job title?

11 A. Senior claims representative.

12 Q. How long have you held that title?

13 A. A year.

14 Q. Did you have a title with the IRF before that?

15 A. Claims examiner two.

16 Q. How long did you hold that title?

17 A. Two and a half years.

18 Q. Let me back up a second. What's your educational
19 background?

20 A. Four years of college, University of South Carolina
21 Spartanburg.

22 Q. Did you get a degree from USC Spartanburg?

23 A. Correct.

24 Q. What was your degree in?

25 A. History, political science.

Plaintiff's Deposition Designations

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Defendant's Deposition Counter-Designations

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1 sometimes it would take me two and a half hours to get
2 home on a weeknight sometimes. So...

3 Q. And when you started -- what year did you start with
4 the IRF?

5 A. September 2014, yeah, because I think this September
6 I'll be there four years.

7 Q. And when you first started, you started as a claims
8 examiner two?

9 A. Correct.

10 Q. What were your job duties a claims examiner two?

11 A. I go ahead and intake new claims, setting up new
12 claims, going ahead reviewing the claim information
13 from independent adjusters that would come in there,
14 and then going ahead and consulting and making a final
15 determination as to whether the claim would be covered
16 or not.

17 Q. And when you say consulting, consulting with whom?

18 A. Depending on the nature of the claim there, I consult
19 with the managers, and if it was above my authority
20 limit, I would have to consult with my managers,
21 assistant director of claims, so forth.

22 Q. When you first started who was your manager?

23 A. My direct reporting manager was Nelson Chandler.

24 Q. Is it still Nelson Chandler?

25 A. No. He's retired.

Defendant's Deposition Counter-Designations

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Plaintiff's Deposition Designations

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Defendant's Deposition Counter-Designations

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Plaintiff's Deposition Designations

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1 Q. Who is your current direct reporting manager?

2 A. I actually have two technically. One would be Dennis
3 Elledge for the tort side, and then I also have Chris
4 Lombard.

5 Q. And what is Dennis Elledge's title?

6 A. I think it's District Claims Manager. I really don't
7 pay attention to what his title is. They change it
8 around some. So...

9 Q. Do you know what Chris Lombard's title is?

10 A. Assistant Director of Claims.

11 Q. Has he held that position ever since you've been with
12 the IRF?

13 A. Correct.

14 Q. When you got your promotion to senior claims
15 representative, did your day-to-day duties change?

16 A. No.

17 Q. So the duties that I have show intake, setup of claim,
18 review information from the independent adjuster,
19 consult and make determinations of coverage. Is that
20 fair?

21 A. Fair enough.

22 Q. In your work at the IRF, did you become involved in a
23 claim by Rewa?

24 A. Yes, after I arrived there. It had already been set
25 up.

1 Q. What did you understand to be the nature of that claim?

2 A. That somebody had illegally dumped PCBs into grease
3 traps and potentially manhole covers and, therefore,
4 got into the Rewa system.

5 Q. Did you understand that the claim involved expenses
6 incurred at three separate Rewa facilities?

7 A. Yes.

8 Q. Did you know what those three facilities are?

9 A. Well, I'd have to take a look back, but yes, there were
10 three locations that they had, and I think that we went
11 ahead -- excuse me. I didn't think, but we originally
12 had them set up as three. Then we went ahead and found
13 out the correct locations for those facilities.

14 Q. If I tell you the Pelham facility, the Lower Reedy
15 facility, and the Mauldin Road facility, do those sound
16 familiar to you?

17 A. Yes.

18 Q. When was your actual first day with the IRF?

19 A. September. I believe the first week of September. I
20 could not give you a specific date.

21 Q. And that would be 2014?

22 A. Correct.

23 Q. Was the Rewa plan one of the first files you were
24 provided?

25 A. Among several.

1 Q. So you, in essence, got involved with the Rewa file
2 immediately upon joining the IRF?

3 A. I was given several files at the time when I first
4 started and this was one of them.

5 Q. At the time you got involved, had coverage
6 determination been made as to the Rewa claim?

7 A. At that time, no. We were gaining some information
8 with regards to the loss.

9 Q. What information were you gaining that was needed for
10 the coverage determination at that point?

11 A. We were waiting on invoices. They started off with
12 like a \$160,000 loss. Then it was a million dollar
13 loss or \$1.2 million loss. So we were trying to
14 ascertain, you know, what was the nature of the loss.

15 Q. Do you recall when you informed Rewa that you were
16 involved in the handling of the claim?

17 A. Not off the top of my head.

18 Q. Who did you take over the claim from?

19 A. Jerry Anderson.

20 Q. Other than you and Jerry Anderson, who else within the
21 IRF was involved in the handling of Rewa's claim?

22 A. When you say handling?

23 Q. Any activity that was necessary from an IRF standpoint.

24 A. Well, we were reporting to Nelson Chandler and Chris
25 Lombard with regards to it.

Defendant's Deposition Counter-Designations

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Plaintiff's Deposition Designations

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1 opinion on coverage?

2 A. well, first we would need to see all the information
3 for the various segments broken down before we could
4 actually render a coverage decision.

5 Q. Anything else you recall him saying?

6 A. No. I mean, that's pretty much to the point there.

7 Q. Do you recall asking Nelson Chandler questions about
8 the Rewa claim?

9 A. Just with regards to the pollution coverage.

10 Q. Anything else?

11 A. what his thought was, and he was, like, well, we made
12 the decision there to, you know, at least take a look
13 at the pollution coverage part of it.

14 Q. Anyone else at the IRF that you believe was involved in
15 the analysis or determination of the claim with Rewa?

16 A. Not to my recollection.

17 Q. Did you have direct communications with Rewa regarding
18 the claim?

19 A. Yes. I did speak with Patricia.

20 Q. Patricia Dennis?

21 A. Yes.

22 Q. Did you speak with anyone else at Rewa?

23 A. We did have a meeting where Mr. Lavender and some other
24 members of the Rewa were present at the time. So...

25 Q. And where was that meeting?

1 A. At the ReWa facility on Mauldin Road.

2 Q. And when was it?

3 A. I could not give you a time there without looking back.

4 Q. Was that before or after the IRF made a coverage
5 determination on coverage of the claim?

6 A. I don't recall, sir. I think they were showing us the
7 notes. Excuse me. [REDACTED]
8 and where the damage occurred.

9 Q. When you say us, who from the IRF attended other than
10 you?

11 A. Just me.

12 Q. And ReWa would have reported or given notice of the
13 claim before you were involved. Correct?

14 A. Correct.

15 Q. Did you ever look back to see when that occurred?

16 A. I think it was in 2013. I'm not exactly sure of the
17 time.

18 Q. Do you ever remember anyone at the IRF taking the
19 position that ReWa had not provided a timely or proper
20 notice of the issue?

21 A. I don't recall that.

22 Q. Of the people involved in the ReWa claim, whose job was
23 it to make a determination of whether there was
24 coverage for the claim?

25 A. Well, since it would be over my authority limit of

1 \$100,000, that ultimate decision would have been a
2 group of people there, because we're talking millions
3 of dollars with regard to this claim. So...

4 Q. Who would be in that group?

5 A. I would think Chris Lombard, the Director of Claims,
6 and as to who else would be in there, I'm sure since
7 it's a state agency that there would be some other
8 people that would have -- you know, that they would go
9 ahead and be discussing the payment.

10 Q. As you sit here right now, do you know who would be the
11 decision-maker?

12 A. I don't.

13 Q. Do you know who actually made the determination of
14 whether there was coverage for the Rewa claim?

15 A. I don't think that we've gotten everything with regards
16 to, you know, what the total damages are, as best I
17 recall.

18 Q. So it's your position that the IRF has never made a
19 coverage determination?

20 MR. DEVLIN:

21 Object to the form of the question.

22 EXAMINATION RESUMED BY MR. BROWN:

23 Q. Has the IRF made a coverage determination as of today?

24 A. I don't think that we have with regards to what the
25 amount of the damages are.

1 Q. Say that again?

2 A. We have not with regard to the amount of what the
3 damages are that are claimed.

4 Q. What additional information do you believe the IRF
5 needs to make a coverage determination?

6 A. Well, from the spreadsheets of what we've seen so far,
7 I mean, there is a lot of information that gets lumped
8 into just the overall claim. We're looking to gather
9 the information that deals directly with each of the
10 three segments that are damaged.

11 Q. Is there specific information which you believe relates
12 to a segment that is not part of the claim?

13 A. Can you repeat the question, again?

14 Q. Let me back up. You mentioned spreadsheets. Is it
15 fair to say that Rewa has provided accounting
16 information of the expenses that it has spent over
17 time?

18 A. They continue to give us ongoing spreadsheets. So
19 basically they're considering that their loss is not
20 complete.

21 Q. And so the spreadsheets they were giving you began
22 sometime in 2013. Correct?

23 A. I'd have to look back at that, but they started giving
24 us spreadsheets.

25 Q. And they gave them essentially monthly for at least a

1 period of years?

2 A. Correct.

3 Q. And those spreadsheets document and break down the
4 expenses that ReWa attributes to the PCB damage. Is
5 that fair?

6 A. What their thoughts are, correct.

7 Q. And with those breakdowns, is there anything on those
8 spreadsheets that you believe relates to a segment or a
9 property which is not covered under the building and
10 property policy issued by ReWa?

11 A. Well, without providing the full segment-per-segment
12 breakout for us to take a look, I couldn't speculate on
13 that right now.

14 Q. Are you aware of any enforcement proceedings which were
15 instituted by South Carolina DHEC or EPA against ReWa
16 regarding the PCB contamination?

17 A. There was a DHEC report in the file that we had
18 received, but as far as what their obligations are with
19 ReWa and DHEC, we did not get into any of that.

20 Q. Were you ever informed that either DHEC or EPA
21 initiated a formal enforcement proceeding against ReWa?

22 A. That was in the DHEC report. So yes, we were
23 understanding that they had to go ahead and do some
24 work.

25 Q. You believe the report that you have involves an

Defendant's Deposition Counter-Designations

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Plaintiff's Deposition Designations

Page 22:2 - 22:16

1 enforcement proceeding? Is that your understanding?

2 A. I can't answer that question.

3 Q. You don't know one way or the other?

4 A. I don't know one way or the other.

5 Q. If something makes a building unusable, is that a loss
6 or damage to the building?

7 A. Makes it unusable? Is that -- not necessarily.

8 Q. why not?

9 A. I don't know what type of loss it would be. Are we
10 talking about consequential damages or something of
11 that nature? You know, I would hate to speculate on
12 what type of claim you're talking about.

13 Q. well, if a building is unusable, is it damaged? Is
14 there a loss to the owner of the building by not being
15 able to use that building?

16 A. That would be something of a consequential claim there.
17 You know, I would hate to speculate there without
18 knowing a type of -- or I don't think that that would
19 necessarily always precipitate a claim itself if the
20 building was unusable.

21 Q. why not?

22 A. Because I don't know any of the issues of what the loss
23 would be.

24 Q. Are you concerned about what the cause of the loss is
25 or are you concerned about the damage?

1 A. Is it directly physically damaged?

2 Q. Were you provided a definition of damage to use in your
3 work at the IRF?

4 A. We have the policies themselves that we would refer to.

5 Q. And is the term damage defined within the policy?

6 A. There is direct or physical modified by the other

7

8 Q. When you say modified by the other policy, what other
9 policy?

10 A. Cause of Loss Special Form. So the policies go
11 together.

12 Q. And in any of that, is the term damage defined?

13 A. I don't know. I'd have to take a look back at the
14 policy. I mean, you know, I don't recall that it's got
15 a dictionary definition of it at all there. I think it
16 says direct physical damage.

17 Q. But my question is, is the term damage a defined term
18 within the policies, to your knowledge?

19 MR. DEVLIN:

20 Objection. Asked and answered.

21 EXAMINATION RESUMED BY MR. BROWN:

22 A. May I take a look at one of the policies, which one
23 you're referring to?

24 (Plaintiff's Exhibit 1 marked)

25 EXAMINATION RESUMED BY MR. BROWN:

Plaintiff's Deposition Designations

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1 Q. I've handed you a document which we've marked as
2 Exhibit 1, which is entitled Building and Personal
3 Property Coverage Form.

4 A. Okay.

5 Q. would that in fact be the property coverage at issue in
6 the Rewa claim?

7 A. Yes.

8 Q. Is the term damage defined within this document?

9 A. Let's see. I do not see that defined. It says,
10 physical loss of or damage covered to property. So as
11 far as a definition it does not have that that I see.

12 Q. If there are terms used in the policies that you are
13 asked to interpret that are not defined within those
14 policies, where do you go to obtain a definition to use
15 in that interpretation?

16 A. well, this gives you what is covered property. So then
17 we would go to the Causes of Loss Special Form.

18 Q. To define damage or to define the cause of the loss?

19 A. To see what exclusions would apply to it.

20 Q. My question isn't related to exclusions. My question
21 is related to definitions of terms within the policy.

22 A. I do not see where it's defined.

23 Q. If there is a term that is undefined within the policy,
24 where do you go or where are you instructed by the IRF
25 to go to obtain a definition to use in that

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1 interpretation?

2 A. Well, as I said there, this form goes along with
3 another one, the PD-05 form. So that's where we go
4 ahead. I mean, this goes ahead and gives us, you know,
5 a synopsis of what's defined as covered property.

6 Q. I understand that response, but that's not my question.
7 My question is, if there is a term used in the policy
8 that is not defined by the policy, where does the IRF
9 instruct you to go to obtain a definition to use in
10 interpreting that undefined term?

11 A. We don't have anything that tells us where to go.
12 That's why we go ahead and we use both sets of policies
13 that are provided to us.

14 Q. So do you believe that the Cause of Loss Form would
15 provide a definition of damage?

16 A. It tells us what the exclusions are with regards to it,
17

18 Q. Well, exclusions isn't my question. My question is
19 definitions of terms. Do you believe that the Cause of
20 Loss Special Form contains a definition of the term
21 damage?

22 A. I don't think that it goes ahead and expressly gives
23 you a Webster's dictionary version of damage with
24 regards to it.

25 Q. So if a term is not defined, would you go to a

1 dictionary such as a Webster's dictionary to define
2 that term in your interpretation of the policy
3 language?

4 A. No.

5 Q. Where would you go to find a definition of damage in
6 order to interpret the undefined term?

7 A. Hence, that's why we go ahead and we take a look at
8 both sets of policies with regards to any type of loss.

9 Q. When you say both sets of policies, you're talking
10 about the Cause of Loss Form?

11 A. Correct, the Special Loss Form.

12 (Plaintiff's Exhibit 2 marked)

13 EXAMINATION RESUMED BY MR. BROWN:

14 Q. I've handed you a document which we've marked as
15 Exhibit 2. Can you show me any language within Exhibit
16 2 which defines damage to be used in interpreting the
17 Exhibit 1 coverage form?

18 A. There is not a specific one that's in the dictionary,
19 that would be a dictionary usage.

20 Q. Let me make sure I understand that. The Cause of Loss
21 Special Form which we've marked as Exhibit 2 does not
22 define damage, does it?

23 A. It states direct physical loss, but no, as regards to
24 damage, no.

25 Q. And, therefore, in your interpretation of a policy that

1 uses the term damage, where do you go to get a
2 definition of damage to use in that interpretation?

3 A. Well, I would look at what the covered property is
4 there, and then I would take a look and apply what the
5 exclusions would be. As far as you're asking me a
6 question of is there a definition of damage or would I
7 have to go to the dictionary, no, I would not go to the
8 dictionary, because I think this lays out what is
9 covered property and then what exclusions you would
10 apply to it. Anything else I would be speculating on.

11 Q. If you know what is covered property, how does that
12 help you in defining what damage means?

13 A. You would look through the policy. One, it would tell
14 you what covered property is, the first part of it
15 there, do we have covered property. Then is it a
16 covered cause of loss. You would apply the exclusions
17 that would be applicable here. And then you'd make
18 your coverage determination.

19 Q. All right, let me back up a second. Let me see if I
20 can come at it from a different direction. If you look
21 at Exhibit 1 under the provision that says Coverage
22 with a capital A there on the first page.

23 A. Yes.

24 Q. Do you see that? The provision says, we will pay for
25 direct physical loss of or damage to Covered Property

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1 there to be coverage under this policy, and what I am
2 asking about is solely about the first part, direct
3 physical loss of or damage to property. I'm not asking
4 about whether it's covered property. I'm not asking
5 whether it's on the declaration page. I'm not asking
6 whether the cause of loss is a covered cause of loss at
7 this stage. I'm just asking about that first
8 requirement, is there direct physical loss of property
9 or damage to property. Okay? Does that make sense to
10 you?

11 A. Mm-hmm.

12 Q. All right. In making an assessment as to whether there
13 is direct physical loss of or damage to property, what
14 definition of damage do you use?

15 A. As far as a definition, there's not one listed in the
16 policy with regards to it. It does say direct physical
17 loss, and then from this policy, once we go ahead and
18 we establish that we've got covered property that we
19 are collecting premium on per the dec page there, we
20 refer over here to see if it's got an exclusion that
21 would not cover it where it says direct physical loss
22 to, because this modifies this part here.

23 Q. Again, I understand your testimony that you have to go
24 through the other steps about covered property. That
25 is not what I'm asking you. **My question is, give me**

1 the definition of damage you use in interpreting this
2 policy. Just tell me what is damage. What does that
3 word mean when you interpret this policy?

4 A. Somebody's made a claim that they are not able to use
5 something or that it's damaged when the person first
6 calls a claim in.

7 Q. So when you interpret the term damage, do you use its
8 ordinary and common meaning in interpreting that term?

9 A. Every claim is different. I take a look at this part
10 here of what the person's claiming as damaged property.
11 Then I have to go back to the Cause of Loss Special
12 Forms and take a look at it from there.

13 Q. When you say every claim is different, do you intend to
14 mean that your interpretation of the term damage would
15 change from claim to claim?

16 A. Well, what the person is claiming damage there might
17 not always be damage. That's why we have exclusions
18 and everything that would go in between there and we
19 take a look at it.

20 Q. And that's what I'm getting at. If you contend that
21 certain things are not damage, you have to have a
22 definition as to what damage is to determine whether it
23 falls within that definition. I'm asking you to give
24 me what is the definition of damage that you use as a
25 measuring stick to determine whether the claim involves

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1 know, was it an intentional act. You know, I would
2 have to take a look at all the facts with regards to
3 it.

4 Q. Okay. I'm not asking is it covered. I'm asking is it
5 damage. There are two separate questions there. If
6 someone spray-paints all over the wall, is that wall
7 damaged?

8 A. So -- all right, repeat that one more time. I want to
9 process this.

10 Q. If a vandal spray-paints all over the front of a
11 building, is that building or the wall of that building
12 damaged?

13 A. I mean, I guess it depends on also what you're saying
14 is damaged there that it's beyond repair or beyond use.
15 If you're just saying that it does have spray-paint on
16 it and that's what you define as damage, then yes.

17 Q. I'm asking you what do you define as damage as you
18 interpret this policy. That's your job to interpret
19 the policy. Correct?

20 A. Correct.

21 Q. Okay. When you interpret this policy I'm asking for
22 your definition of damage. You just said that it can
23 depend on the definition of damage. That's exactly
24 what I'm asking you. Tell me what the definition of
25 damage is that you use at the IRF in interpretation of

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1 this policy.

2 A. what I would take a look at is this here on the
3 coverage where it says direct physical loss to covered
4 -- or damage to covered property. Is it directly
5 physically damaged there, which I would take a look at
6 in the Cause of Loss Special Form. Okay?

7 Q. And we've already discussed the Cause of Loss Special
8 Form, Exhibit 2 --

9 A. Correct.

10 Q. -- does not include a definition of damage. Correct?

11 A. Correct.

12 Q. So what would be your source for a definition of
13 damage?

14 A. I don't have a definition that I'm seeing here.

15 Q. So you do not have a definition of damage that you
16 would use in interpretation of this policy?

17 A. I would take a look at the facts of the claim there,
18 and then I would determine if it had -- I would take a
19 look at the facts or issues of the claim here, and then
20 I would take a look at the Cause of Loss Special Forms,
21 apply the coverages to it. Then we'd make our coverage
22 determination from there.

23 Q. would the definition of damage change from claim to
24 claim?

25 A. I don't think that the damage issue changes at all

1 there. It's a matter of if it's excluded or if it's
2 covered per the Cause of Loss Special Form.

3 Q. So if the definition of damage is consistent from claim
4 to claim, state for me clearly what you consider to be
5 damage in interpreting the policy.

6 MR. DEVLIN:

7 Object to the form. Asked and answered.

8 MR. BROWN:

9 Asked, but not answered.

10 MR. DEVLIN:

11 That's an opinion.

12 MR. BROWN:

13 It's a statement of truth.

14 EXAMINATION RESUMED BY MR. BROWN:

15 Q. You can answer.

16 MR. DEVLIN:

17 You'll know when I don't want you to answer. I
18 will look at you and I will say, Don't answer that
19 question.

20 WITNESS:

21 I understand. I understand there.

22 EXAMINATION RESUMED BY MR. BROWN:

23 A. All right. Repeat the question one more time, please,
24 william.

25 Q. When you interpret the policy at issue in the Rewa

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1 claim, what is the definition of damage that you use
2 for that interpretation?

3 A. Was it damaged by an act of vandalism.

4 Q. Now, you're talking about the cause of the damage. My
5 question is not what was the cause or what was the
6 property damage. My question is simply what is the
7 definition of damage.

8 A. Is there damage there with regards to that you're not
9 able to use it anymore.

10 Q. And just so I'm clear, the term damage is not defined
11 within the building policy which we marked as Exhibit
12 1. Correct?

13 A. Correct.

14 Q. And the term damage is not defined in the Cause of Loss
15 Special Form what we marked Exhibit 2. Correct?

16 A. It says direct physical loss, but as far as damage
17 itself being defined in the definitions, no.

18 Q. Does Rewa have anywhere a written policy or manual
19 which would provide a definition for damage?

20 MR. DEVLIN:

21 You said Rewa.

22 EXAMINATION RESUMED BY MR. BROWN:

23 Q. Excuse me. I apologize. Does the IRF have a policy or
24 manual which would provide a definition of damage for
25 you to use in evaluating claims?

1 A. No. We don't have a manual.

2 Q. Does the IRF have any other type of documentation which
3 provides you with a definition of damage to use in your
4 evaluation of claims?

5 A. No.

6 (Plaintiff's Exhibit 3 marked)

7 EXAMINATION RESUMED BY MR. BROWN:

8 Q. I hand you a document which we've marked as Exhibit 3,
9 which is an e-mail exchange from October 6th of 2014.
10 Are you familiar with that?

11 A. Taking a look at it now, yes, I see what you're saying.

12 Q. And there are actually two e-mails within this one
13 document. The bottom e-mail is an e-mail from Brenda
14 Page at ReWa to Fred Young sending a summary of the
15 ReWa expenses regarding the PCB contamination. Is that
16 fair?

17 A. Yes.

18 Q. And Fred Young was the independent adjuster that the
19 IRF had retained to assist with the ReWa claim. Is
20 that fair?

21 A. Correct.

22 Q. And then the top e-mail is an e-mail from Fred Young to
23 you?

24 A. Correct.

25 Q. And in that he forwards on what he calls the latest

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1 monthly report from ReWa. Is that correct?

2 A. Correct.

3 Q. Would you agree that ReWa was sending these accountings
4 essentially monthly?

5 A. Correct.

6 Q. Do you have any complaint about the timeliness of the
7 accounting information that ReWa was sending to the
8 IRF?

9 A. No. They sent them every month.

10 (Plaintiff's Exhibit 4 marked)

11 EXAMINATION RESUMED BY MR. BROWN:

12 Q. I've handed you a document which we've marked as
13 Exhibit 4 to your deposition.

14 A. Correct.

15 Q. Which is a report from Quality Claim Services, Inc., in
16 particular sent by Fred Young at Quality Claim
17 Services. Correct?

18 A. Correct.

19 Q. And although the address says Jerry Anderson on it, the
20 salutation says Dear Rob?

21 A. Correct.

22 Q. And by November 6, 2014, you were the person handling
23 or responsible for the ReWa claim. Correct?

24 A. Correct.

25 Q. So the address to Jerry Anderson is probably just a

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1 typo?

2 A. Correct.

3 Q. And then within the body of this it says, As per your
4 instruction today's date I'm closing my file and
5 submitting my file invoice for services for your
6 consideration. Did I read that correctly?

7 A. Yes.

8 Q. So in early November you provided instructions to Fred
9 Young to close his file?

10 A. Correct.

11 Q. And why was that?

12 A. Because they were sending the same thing to me
13 directly, as well.

14 Q. So you were getting the --

15 A. Monthly.

16 Q. -- accounting information monthly directly as well as
17 through Fred?

18 A. Correct.

19 Q. Was there any additional information that the IRF
20 thought needed to be collected by a field adjuster at
21 this stage?

22 A. No.

23 Q. The report indicates three enclosures. The first is
24 accounting for October 2014. would that be basically
25 what we've described as the monthly accounting from

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1 ReWa?

2 A. Correct.

3 Q. And then the next two are an activity sheet and a
4 services invoice. That would basically be a log of
5 what Fred Young had done and a bill for that activity?

6 A. Correct.

7 Q. Within the next paragraph below that there's the
8 statement, As we both agree, there may be some items
9 and categories in the accounting we would not agree
10 with as being related to the claim for contamination.
11 Do you see that?

12 A. Correct.

13 Q. Did you have conversations before this time with Fred
14 Young about the accountings and the items and
15 categories within it?

16 A. We had one or two telephone calls. I could not recall
17 how many.

18 Q. Do you recall any conversations which specifically
19 related to items or categories within the accountings
20 provided by ReWa?

21 A. No.

22 Q. Do you recall any items or categories within those
23 accounting documents which you thought were unrelated
24 to the contamination?

25 A. Without taking a look back I would not know.

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1 to be shown for there to be coverage is that the
2 covered property is at the premises described on the
3 declarations?

4 A. Correct.

5 Q. And, in fact, this declaration page has property
6 descriptions and locations listed for multiple
7 properties or premises. Is that fair?

8 A. Correct.

9 Q. And each of those separate premises are given a segment
10 number that equates to that property location. Is that
11 fair?

12 A. Correct.

13 Q. And I think that we talked about before that you were
14 familiar with the statements of Pelham, Lower Reedy,
15 and Mauldin Road locations being those involved in the
16 claim?

17 A. Correct.

18 Q. And if you look on the declaration page, on the bottom
19 of the first page, segment 90 identifies the Pelham
20 facility as its property description and location. Is
21 that correct?

22 A. Correct.

23 Q. And, therefore, the Pelham facility is a premises which
24 is described in the declaration page. Correct?

25 A. Correct.

1 Q. And, similarly, segment 130 is identified as Lower
2 Reedy plant. Is that correct?

3 A. Correct.

4 Q. And, therefore, the Lower Reedy plant is a premises
5 that is described in the declaration page?

6 A. Correct.

7 Q. And, likewise, turning to the next page, segment number
8 140, the Mauldin Road plant is identified. Correct?

9 A. Correct.

10 Q. And, therefore, the Mauldin Road facility is a premises
11 described in the declaration page?

12 A. Correct.

13 Q. Have you ever heard anyone or have you ever taken the
14 position at the IRF that the Pelham Road facility is
15 not properly identified as a premises on the
16 declaration page?

17 A. No.

18 Q. Same with the Lower Reedy, have you ever taken the
19 position that it is not properly identified as a
20 facility on the declaration page?

21 A. No.

22 Q. And similarly with the Mauldin Road facility, have you
23 ever taken the position that the Mauldin Road is not
24 properly identified as a premises on the declaration
25 page?

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1 Q. Let me back up a second. What is the purpose of the
2 claim notes?

3 A. It's just to keep an accounting there of how the
4 narrative goes along with regards to the claims
5 handling of this.

6 Q. So is it intended to keep a record roughly
7 contemporaneous with activities of what's happening on
8 the claim?

9 A. I can only speak for myself, but yes, that would be
10 what it would be for me to have.

11 Q. If you have to transition the file to someone else like
12 you had to take over this one --

13 A. Correct.

14 Q. -- is having contemporaneous documentation of the
15 activity helpful to you in understanding the progress
16 of the claim?

17 A. I would think that it would.

18 Q. And other than providing a contemporaneous analysis of
19 the activity of the claim, what other purpose would the
20 claims notes serve?

21 A. If somebody else wanted to do a file review,
22 management or above there, just take a look and see
23 where you were standing with the claim.

24 Q. And if you aren't updating it on a timely ongoing
25 basis, is that type of review possible?

1 A. It would depend on what the previous notes were. You
2 know, I can only say for myself there that I find it
3 helpful to have these kind of notes in the file.

4 Q. And would it be your intent to document any significant
5 activity or decision regarding the claim in the claim
6 file notes?

7 A. Correct.

8 Q. All right. And then going back to the 10/6 entry, can
9 you read for me your notation there?

10 A. Sure. It is my understanding that we will only be
11 offering coverage under the vandalism cap for this
12 loss. John Devlin is handling this case.

13 Q. So as of 10/6/2014, you understood that counsel was
14 involved in the case?

15 A. Not at this time here. There was another similar case,
16 which was Spartanburg Sanitary Sewer District, that Mr.
17 Devlin was involved with. So that was just a mis-type
18 in there.

19 Q. So, to your knowledge, John Devlin was not involved in
20 this case as of this time?

21 A. That's correct.

22 Q. So that is a misstatement?

23 A. It's mis-typed, yes.

24 Q. Should that have been entered in the Spartanburg case
25 notes?

1 A. If I said that John Devlin, yes, that would have been
2 John Devlin is handling the case.

3 Q. Did you also take over the handling of the Spartanburg
4 Sewer similar case from Jerry Anderson?

5 A. Correct.

6 Q. Going back to the sentence just before that --

7 A. Sure.

8 Q. -- you note that we will only be offering limited
9 coverage under the vandalism cap for this loss?

10 A. Correct. That was a mis-type also there. It should
11 have been pollution.

12 Q. To the best of your knowledge, there is no such thing
13 as a vandalism cap within the policy issued. Is that
14 fair?

15 A. Not that I'm aware of.

16 Q. And the statement that we will only be offering limited
17 coverage, who was involved in the decision to only
18 offer limited coverage?

19 A. It's my understanding at the time that it was -- it
20 came from the direction above me that, due to the
21 current nature of it and not knowing all the expenses
22 that were involved, that we were at least going to go
23 ahead and offer up the pollution coverage limits to the
24 insured at that time, which was \$10,000 per segment.

25 Q. Were you involved in the decision to only offer limited

1 coverage?

2 A. Not solely me.

3 Q. Were you part of that decision?

4 A. In the overall process to get to the \$30,000? Is that
5 -- is that your question?

6 Q. Well, the way you say it is we will only be offering
7 limited coverage. Those are your words, and I'm trying
8 to ask were you involved in the decision to only offer
9 limited coverage.

10 A. Not solely me.

11 Q. But did you have a role in that decision?

12 A. In the decision of -- okay, the decision of the
13 coverage, the cap there was based upon the policy and
14 speaking with management, yes.

15 Q. So you were involved in discussions with management --

16 A. Correct.

17 Q. -- to make the determination to only offer limited
18 coverage?

19 A. To only offer the limited coverage at the time of what
20 we knew that we could pay for.

21 Q. All right. Did you have a meeting in person with
22 management to make the determination to only offer
23 limited coverage?

24 A. Yes.

25 Q. When did that meeting occur?

1 A. I would assume with this note here -- excuse me, not
2 assume, but that this note here, that it would have
3 been saying that around that same time of the
4 10/6/2014. I don't recall the exact date and time.

5 Q. Who else was in that meeting?

6 A. It would be Chris Lombard.

7 Q. Anyone else?

8 A. I don't recall.

9 Q. Was Jerry Anderson in that meeting?

10 A. I don't recall if he was there.

11 Q. Was Nelson Chandler in that meeting?

12 A. I don't recall if he was there either.

13 Q. Can you tell me what was discussed in that meeting to
14 lead to the determination to only be offering limited
15 coverage?

16 A. I think it was just the time -- excuse me. At the time
17 we did know that there was pollutant. We did have some
18 limited coverage at that time that we could go ahead
19 and at least initially issue the \$10,000 limit per
20 segment, and that's what we went ahead and did for the
21 insured at the time.

22 Q. When you say per segment, tell me what you mean by
23 that.

24 A. As you were referring to with this here, for the
25 segments that we knew was covered property.

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1 Q. So the locations on the declaration?

2 A. Correct.

3 Q. Where did that meeting occur?

4 A. It's on our fourth -- excuse me -- our fifth floor. I
5 don't recall whose office it was in.

6 Q. During that meeting was there any discussion as to why
7 there would not be coverage for additional expenses?

8 A. At that time I don't recall. We were still getting the
9 updates from the ReWa with regards to the claim.

10 Q. The next entry is that same date. Is that correct?

11 A. Correct.

12 Q. 10/6. And the sort of introduction to that entry is,
13 Contact IA. IA would be independent adjuster?

14 A. Yes.

15 Q. That would be Fred Young?

16 A. Correct.

17 Q. And it indicates that the IA sent in a note with the
18 associated ReWa PCB damage amounts, and the amount was
19 over 5.7 million?

20 A. Looking at this, correct.

21 Q. Again, the next sentence you make reference to limited
22 vandalism coverage, but there is no limited vandalism
23 coverage, is there?

24 A. It was -- it was meant the pollution coverage.

25 Q. There is no limit on vandalism coverage. Correct?

1 A. As to the extent of what the property is insured for.

2 Q. There's no specific provision which imposes a limit for
3 vandalism as a cause of loss. Is that fair?

4 A. As it relates to like a \$10,000 limit there's not.

5 Q. The next entry is on 10/24 of 2014. Is that fair?

6 A. Correct.

7 Q. And that would have been information that was being
8 provided to you by Patricia Dennis at ReWa?

9 A. Yes. I made a notation of the name.

10 Q. And then the next entry after that is a 10/27 entry?

11 A. Correct.

12 Q. Is that, in essence, just a block and copy of the text
13 of an e-mail that you sent to Ms. Dennis?

14 A. Correct.

15 (Plaintiff's Exhibit 8 marked)

16 EXAMINATION RESUMED BY MR. BROWN:

17 Q. I've handed you a document which we've marked as
18 Exhibit 8 to your deposition, I believe it is?

19 A. Correct.

20 Q. Which is an e-mail string that involves some of your e-
21 mails. Is that fair?

22 A. Appears to be correct.

23 Q. If you'll look with me back to the back page which has
24 Bates number 1367 in the corner.

25 A. Correct.

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1 Jerry Anderson go to, and it ultimately is directed to
2 you?

3 A. Correct.

4 Q. And then at the top of that page you respond to
5 Patricia Dennis on October 24th notifying her that
6 you're the contact now?

7 A. Correct.

8 Q. And her inquiry is, should I talk to you about all of
9 the PCB claim issues or just this most recent contact?
10 Is that fair?

11 A. Correct.

12 Q. And you respond, All of them, and then make an inquiry
13 to make sure you understood the scope of what her
14 original e-mail meant. Is that fair?

15 A. Correct.

16 Q. And then on October 24th at 3:20, Patricia Dennis sent
17 you an e-mail noting that ReWa had made a separate PCB
18 claim over a year ago and had not received a
19 determination and had been sending reports to Fred
20 Young monthly. Do you see that?

21 A. Correct.

22 Q. And as of October 24th, in response to her, what was
23 your response?

24 A. I will review and report back.

25 Q. But as of October 6th, per your case notes, a

1 determination had already been made that the IRF would
2 only be offering limited coverage. Am I correct?

3 A. Correct.

4 Q. And then what you have copied into the case notes on
5 October 27th is the e-mail that starts on the first
6 page and rolls to the second page. Is that fair?

7 A. Correct.

8 Q. And in your e-mail you note that three locations are
9 involved and identify segment 50, Durbin Creek, segment
10 65, Gilder Creek, and segment 90, Pelham?

11 A. Correct.

12 Q. And those are not the correct segments, are they?

13 A. Save for the one.

14 Q. Pelham is a correct segment?

15 A. Correct.

16 Q. But the other two are incorrect?

17 A. Correct.

18 Q. And the next paragraph there is a provision or the last
19 sentence of that paragraph says, As you know, there is
20 only limited coverage for these loss locations that
21 would apply under your policy. Do you see that
22 sentence at the end of that large paragraph at the top
23 of page 2?

24 A. Would that be 1391 or---

25 Q. In Exhibit 8.

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1 A. Oh, Exhibit 8.

2 Q. It's on page 1364.

3 A. All right.

4 Q. The paragraph begins, To date, but the last sentence of
5 that says, As you know, there is only limited coverage
6 for these loss locations that would apply under your
7 policy. Do you see that?

8 A. Correct.

9 Q. What were you referring to there?

10 A. The cut and paste that I had put in here for the
11 pollutant cleanup and removal.

12 Q. In terms of coverage in general for those locations,
13 there is significantly more coverage for those
14 locations in general than \$10,000. Correct?

15 A. Correct, based upon---

16 Q. Based on the declaration page?

17 A. Correct.

18 Q. The value of the property is identified so that the
19 coverage would exist per the declaration page?

20 A. Correct.

21 Q. And then if you look down at the cut and paste piece of
22 the policy that you put in there, the heading is
23 Additional Coverages. Do you see that?

24 A. Correct.

25 Q. So correct me if I'm misstating here, but, in essence,

1 there would be certain coverages that exist,
2 exclusions, and then through additional coverages, even
3 if it's excluded, it's added back in?

4 A. Correct.

5 Q. And this added back in for cleanup of pollutants is one
6 of those types of coverages?

7 A. Correct.

8 Q. The last paragraph of what you cut and pasted is
9 bolded. Did you bold that, or do you believe that's
10 bolded in the original text?

11 A. I believe I bolded it.

12 Q. And read for me that bolded provision.

13 A. Sure. The most we will pay under this additional
14 coverage for each described premises is \$10,000 for the
15 sum of all covered expenses arising out of covered
16 cause of loss occurring during each separate 12-month
17 period of this policy.

18 Q. And, again, we talked about the fact that the policy
19 issues for 12 months. So the coverage can exist over
20 multiple 12-month periods?

21 A. Correct. Clarification. Yes, I did bold that part.

22 Q. And did you examine whether there was loss or expenses
23 that were incurred during multiple 12-month policy
24 periods to analyze that provision?

25 A. Just reviewed this part.

Plaintiff's Deposition Designations

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1 Q. Going back to Exhibit 7, the claim notes file, the next
2 entry is dated 10/30/2014. Correct?

3 A. Correct.

4 Q. And that indicates that -- it says, Insured Contact.
5 would that indicate you contacted them or they
6 contacted you or either?

7 A. Either.

8 Q. And it says that you spoke with Patricia at Rewa and
9 explained to her that the most we can pay is \$10,000
10 per segment?

11 A. Correct.

12 Q. And that would have been a telephone call?

13 A. Correct. Well, I said spoke, yes. Correct.

14 Q. And then it says that she requested that you provide a
15 coverage position letter?

16 A. Correct.

17 Q. And when you explained to her or spoke to Ms. Dennis,
18 would you have been simply restating the language that
19 you copied into the case notes and that was in your e-
20 mail on the 27th?

21 A. Yes.

22 Q. Would there be any other language that you would have
23 provided her or relied upon in that conversation?

24 A. I couldn't really speculate with regards to that.

25 Q. Do you recall giving her any information or a policy

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1 reference in addition to what is in that e-mail of the
2 27th?

3 A. No, I do not.

4 Q. Was this the first time that the IRF had informed Rewa
5 of any coverage determination?

6 MR. DEVLIN:

7 Object to the form of the question.

8 EXAMINATION RESUMED BY MR. BROWN:

9 Q. You can go ahead and answer.

10 A. I don't recall there if there was any other
11 determination made prior to my coming on board.

12 Q. Was this the first time you had informed Rewa of any
13 coverage determination regarding the claim?

14 A. Again, I don't recall if they had anything else. I was
15 just explaining to her where we were in the claims
16 process at this time.

17 Q. If you'll look back with me at Exhibit 8, there is an
18 e-mail on the page that says 1365 on it.

19 A. 1365, okay.

20 Q. From Patricia Dennis dated Friday, October 24th. Do
21 you see that one?

22 A. 3:20 entry, PM?

23 Q. 3:20 PM, yes.

24 A. Correct.

25 Q. And in that Ms. Dennis states that a PCB claim had been

Plaintiff's Deposition Designations

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1 filed with the IRF over a year ago and we, ReWa, had
2 not received a determination. Is that fair?

3 A. Correct.

4 Q. So is it fair to say that as of October 24, 2014, you
5 had not relayed to the IRF any coverage determination?

6 MR. DEVLIN:

7 To ReWa?

8 EXAMINATION RESUMED BY MR. BROWN:

9 Q. Excuse me. To ReWa. Let me start over. As of October
10 24, 2014, is it fair to say that you had not provided
11 any information to ReWa about a coverage determination
12 by the IRF?

13 A. It appears to be.

14 Q. And if a coverage determination were to be communicated
15 to an insured, would you expect that to be included
16 within the claims file notes?

17 A. Personally me myself there, correct, I would put that
18 in there.

19 Q. That was something as a normal practice you would
20 believe should be included in the case file notes?

21 A. Relating to me, yes.

22 Q. Prior to October 24, 2014, are you aware of anyone at
23 the IRF who provided or reported to ReWa any claim
24 coverage or any coverage determination on their claim?

25 A. I'd have to look back at the file with regards to that.

Defendant's Deposition Counter-Designations

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1 A. Okay.

2 Q. And it indicates that one of those accountings was sent
3 as of then. So they were sending them roughly through
4 that time at least?

5 A. Correct.

6 Q. If you look on page numbered 1395?

7 A. Okay.

8 Q. There's an entry dated 8/17/2005?

9 A. Okay.

10 Q. And the statement says, work to be done: See if they
11 have a realistic breakdown of what might be covered?

12 A. Correct.

13 Q. What does that mean?

14 A. Meaning separating out the segment numbers themselves
15 and breaking down the costs for each associated
16 segment.

17 Q. Did you evaluate how much general coverage there was
18 per segment? Did you look to see how much coverage
19 there was per segment?

20 A. At one time, yes.

21 Q. Do you believe that the amounts at issue in the Rewa
22 accounting exceed any of the segment coverages?

23 A. No.

24 Q. If the total claim was within the limits of each and
25 every one of the three segment coverages, what would

1 the breakdown provide you?

2 A. It would give us -- if everything was covered there,
3 which we still need to make a determination on that, we
4 would need to know for each individual segment how much
5 damage there was, because that's how we issue our proof
6 of loss. We'd go ahead based upon each segment and how
7 much damage we associate with each one.

8 Q. I just want to make sure I was clear. On the
9 communication where you had a call with Ms. Dennis
10 which is on page 1392, that entry was entered on the
11 30th of October. Is that correct?

12 A. 1392? Which one was that there?

13 Q. Went ahead and spoke with Patricia at ReWa.

14 A. Yes.

15 Q. It was entered at 9:43 AM?

16 A. Yeah, that's what it says timestamped there.

17 Q. That's when it's timestamped. That's when you entered
18 that information --

19 A. Correct.

20 Q. -- into the notes? Do you think that call actually
21 occurred that day?

22 A. I could not recall there. I might have made a note and
23 then put it into the file a little bit later on.

24 (Plaintiff's Exhibit 9 marked)

25 EXAMINATION RESUMED BY MR. BROWN:

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1 but both seem to be signed. To the best of my
2 understanding, I didn't see anything that was different
3 between them, but I --

4 A. Correct.

5 Q. -- could have missed something. I'm trying to see is
6 there a reason there would be two versions of it.

7 MR. DEVLIN:

8 You need to make a verbal response, Rob.

9 EXAMINATION RESUMED BY MR. BROWN:

10 A. Yes. Just the date. If I -- when I sent it out, it
11 might have had it like a day before. I just went ahead
12 and put the corrected date on there. Nothing nefarious
13 about it. Just...

14 Q. Why don't we look at Exhibit 9? If they're the same
15 thing, let's just work off that one for my questions
16 then. Would you agree that the cause of the ReWa loss
17 was vandalism?

18 A. Are we getting back into the damages part again there
19 or just---

20 Q. Well, getting into the letter you sent.

21 A. All right.

22 Q. If you look down here.

23 A. Okay. With regards to Mr. Tim Howard dumping the PCBs
24 into the system, correct.

25 Q. And then you say down here at the bottom, After an

1 extensive review of your coverage we have determined
2 that it does have limited coverage under a certain form
3 due to vandalism?

4 A. Correct.

5 Q. So that was the determination you made, that the cause
6 of loss was due to vandalism?

7 A. Correct.

8 Q. And then after that it quotes the same language that
9 you had cut and pasted into the e-mail a couple days
10 previously to ReWa. Is that fair?

11 A. Correct.

12 Q. Other than the provision you had previously cut and
13 pasted, do you cite to any other provision of the
14 building and property policy in your coverage opinion
15 letter?

16 A. No, it does not.

17 Q. And does your letter state expressly why coverage for
18 additional expenses submitted by ReWa are not covered?

19 A. It does not.

20 Q. Why not?

21 A. Because at the time we were looking at the -- what
22 coverages we could apply to that. Just because we
23 issued the proof of loss does not mean the claim is
24 over.

25 Q. And the amount of expenses that ReWa had submitted to

1 you that were a result of the vandalism were
2 significantly more than the \$10,000 coverage?

3 A. Correct.

4 Q. As of today, has the IRF made a determination regarding
5 coverage for expenses incurred by Rewa above the
6 \$10,000 that this letter addresses?

7 A. Currently we're still trying to go ahead and parse
8 through all the invoices there to make the final
9 decision on what covered damages we will pay for.

10 Q. So is it your testimony that Rewa has not made a
11 coverage determination as to expenses incurred above
12 the \$10,000 provided in this letter?

13 A. No. What I'm saying is that they've submitted several
14 million dollars' worth of bills there that we're trying
15 to look through to see what would apply to their policy
16 -- or to their loss. Excuse me.

17 Q. When do you anticipate the IRF will make a
18 determination of what coverage applies to the loss
19 experienced by Rewa?

20 MR. DEVLIN:

21 Object to the form of the question.

22 EXAMINATION RESUMED BY MR. BROWN:

23 A. Just once we finally get the breakdown and we can agree
24 upon what's the -- you know, what is applied to each
25 segment. Currently I know that we still have, as I

1 said, several million dollars' worth of invoices out
2 there that we're trying to go ahead and sort through.

3 Q. Who is actively sorting through those on a day-to-day
4 basis?

5 MR. DEVLIN:

6 Object to the form of the question. Don't answer
7 that. Those were sent to counsel.

8 MR. BROWN:

9 All right. Let me rephrase that.

10 MR. LINDEMANN:

11 Can we go off the record a second?

12 MR. BROWN:

13 Sure.

14 (Off the Record; 11:54 AM -- 12:02 PM)

15 MR. DEVLIN:

16 Could you read back the last question, please?

17 [Court reporter reads back previous question.]

18 MR. BROWN:

19 And I understand your objection. I'll withdraw
20 that. Let me rephrase that question.

21 EXAMINATION RESUMED BY MR. BROWN:

22 Q. My question is, are you actively evaluating the
23 submissions from Rewa to determine coverage of its
24 claim?

25 MR. DEVLIN:

1 You can answer that.

2 EXAMINATION RESUMED BY MR. BROWN:

3 **A. Not currently.**

4 (Plaintiff's Exhibit 11 marked)

5 EXAMINATION RESUMED BY MR. BROWN:

6 Q. I've handed you a document which we've marked as
7 Exhibit 11 to your deposition.

8 A. Correct.

9 Q. Is that a document you prepared?

10 A. Yes.

11 Q. And it's dated December 4th of 2014?

12 A. Correct.

13 Q. And in October we saw some e-mails and some notes which
14 talked about issuing proofs of loss. Is that fair?

15 A. Correct.

16 Q. And, in fact, is the document attached to this letter
17 the proof of loss that would have been discussed in
18 October?

19 A. It appears so, yes.

20 **Q. And is it a proof of loss document to authorize payment**
21 **of \$10,000 per segment?**

22 **A. Correct.**

23 **Q. And the segments, again, are segment 90, 130, and 140?**

24 **A. Correct.**

25 **Q. And those are the correct segments in which the loss or**

1 damage occurred?

2 A. Correct.

3 (Plaintiff's Exhibit 12 marked)

4 EXAMINATION RESUMED BY MR. BROWN:

5 Q. I've handed you a document that we've marked as Exhibit
6 12 to your deposition.

7 A. Correct.

8 Q. My question for you, on the first page there's a sort
9 of series of headings for columns here?

10 A. Correct.

11 Q. The second column over, the heading says RC. Do you
12 know what that means?

13 A. No, I do not.

14 Q. And there are a series of letters underneath that
15 column. Do you know what any of those letters signify?

16 A. No.

17 Q. And up at the top there's information about adjuster
18 50122. That would be an outside adjuster number for
19 Quality Claim Services?

20 A. Correct. That's how we assign if we've got multiple
21 adjusters.

22 Q. And the e-mail address isn't Fred Byers, but it's
23 basically the owner of the company's e-mail address.
24 Right?

25 A. Correct.

Defendant's Deposition Counter-Designations

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1 Q. And that happens to be your father's e-mail address.
2 Right?

3 A. That is correct.

4 Q. The internal adjuster is identified near the top as
5 you. Correct?

6 A. Correct.

7 Q. If you go to the second page, the total loss figure is
8 the amount of the proof of loss that we just looked at
9 in Exhibit 11. Right?

10 A. Correct.

11 Q. The total loss is not based upon the amount of expenses
12 submitted to the IRF. Correct?

13 A. Still, again, just basing it on that covered section.

14 Q. When you would get the monthly expenses or expense
15 account reports from Rewa, would you send them to
16 anybody within the IRF?

17 A. Yes.

18 Q. Who would you send them to?

19 A. Chris Lombard.

20 Q. Why would you send them to Mr. Lombard?

21 A. Due to the amount. It would be over my authority
22 limit.

23 Q. In the fall of 2013, were the Rewa buildings usable in
24 the condition they were contaminated with PCBs?

25 A. I was not there at the time. So I can't speculate on

Plaintiff's Deposition Designations

Page 75:10 - 75:25

1 February of 2013.

2 Q. Did anyone at the IRF ever tell you that the ReWa
3 buildings were usable in their condition contaminated
4 with PCBs?

5 A. I don't recall.

6 Q. Going back to Exhibit 1 a minute, again, Exhibit 1 is
7 the building and personal property coverage terms.
8 Correct?

9 A. Correct.

10 Q. One of the terms that's laid out and defined is what is
11 covered property. Correct?

12 A. Correct.

13 Q. Did anyone at the IRF ever tell you that the holding
14 tanks and the facilities at ReWa which were
15 contaminated with PCBs were not covered property?

16 A. No.

17 Q. Did you ever take the position that the holding tanks
18 and facilities at ReWa that were contaminated with PCBs
19 were not covered property?

20 A. No.

21 Q. Are you aware of anyone at the IRF ever taking the
22 position that the holding tanks and other facilities at
23 ReWa that were contaminated with PCBs were not covered
24 property?

25 A. Not to my knowledge.

STATE OF SOUTH CAROLINA) IN THE COURT OF COMMON PLEAS
)
COUNTY OF GREENVILLE) C.A. NO. 2016-CP-23-5905

Renewable Water Resources,)
)
Plaintiff,)
Versus)
)
Insurance Reserve Fund, a Division of)
the State Fiscal Accountability)
Authority of South Carolina,)
Defendant.)

DEPOSITION OF
FREDERICK RONALD YOUNG

Pursuant to Notice of Deposition and/or agreement in the above-entitled case, the deposition of FREDERICK RONALD YOUNG was taken on the 23rd day of July, 2018, commencing at the hour of 9:26 AM, in the offices of Devlin & Parkinson, Attorneys at Law, Greenville, South Carolina.

REPORTED BY: Rosalind Poole Walters, CVR-M

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Plaintiff's Deposition Designations

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1 STIPULATIONS:

2 It is agreed by and between the counsel for the parties as
3 follows:

- 4 1. That this deposition is being taken pursuant to Rule 30
- 5 of the South Carolina Rules of Civil Procedure;
- 6 2. That the deponent waives the right to read and sign the
- 7 deposition transcript.

8 *****

9 FREDERICK RONALD YOUNG, being duly sworn to tell the truth,
 10 the whole truth, and nothing but the truth of his own
 11 knowledge concerning the matter herein, testified as
 12 follows:

13 *****

14 EXAMINATION BY MR. BROWN:

15 Q. Mr. Young, my name is William Brown. We met just a
 16 little while ago. I'm here to ask you some questions.
 17 It's my understanding you have not been deposed before.
 18 Is that correct?

19 A. That's correct.

20 Q. The purpose of the deposition is simply to gather
 21 information. So if at any time I ask you a question
 22 that you don't understand for any reason whatsoever,
 23 please stop me. Ask me to rephrase it, repeat it,
 24 break it down so that you in fact do understand the
 25 questions that I'm asking. Is that fair?

Plaintiff's Deposition Designations

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1 A. No. This was the documentation that I had forwarded to
2 them through trying to reconstitute the file through e-
3 mails and, I guess, information they received from the
4 Insurance Reserve Fund.

5 Q. And just as another matter of housekeeping, if at times
6 I use the term ReWa as opposed to Renewable Water
7 Resources, do you understand that those are synonymous?

8 A. Yes, sir.

9 Q. And if I use the term IRF instead of Insurance Reserve
10 Fund, do you also understand those terms are
11 synonymous?

12 A. Yes.

13 Q. Can you give your full name, please?

14 A. Frederick, F-r-e-d-e-r-I-c-k, Ronald Young.

15 Q. And where do you live?

16 A. 110 Clark Hill Drive, Inman, 29349.

17 Q. And where do you work?

18 A. Quality Claim Services.

19 Q. Where is that physically located?

20 A. On 2434 Hudson Road, Suite 203, Greer, South Carolina.

21 Q. How long have you worked there?

22 A. Approximately 20 years.

23 Q. What is your job title?

24 A. Adjuster.

25 Q. Do you have any ownership interest in that company?

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Defendant's Deposition Counter-Designations

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Plaintiff's Deposition Designations

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1 have overflow, and they help me with overflow.

2 Q. Did any of those part-time adjusters have any role in
3 the Rewa matter?

4 A. No.

5 Q. Did anyone at Quality Claim Services other than
6 yourself have any activity with regard to the Rewa
7 claim?

8 A. No.

9 Q. How would you describe your job duties?

10 A. To adjust claims.

11 Q. What tasks are involved in your adjustment of a claim?

12 A. To determine -- well, to meet with the people and
13 determine the damages and to report to our clients.

14 Q. Do you have any duties in regard to setting of
15 reserves?

16 A. Yes.

17 Q. What are your duties in regards to setting of reserves?

18 A. Usually when I receive a claim they set a standard
19 reserve on it. Usually I do not know that, but -- I
20 don't know the amount. Most companies just have a
21 standard reserve. The Insurance Reserve Fund probably
22 has a reserve amount that they set for every claim that
23 comes in the door. It's the desk adjuster or my part
24 to determine if the claim is going to be above what a
25 standard reserve would be, and then I notify them via a

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Defendant's Deposition Counter-Designations

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1 report.

2 Q. In this particular case, did you have any activity for
3 setting reserves with the Rewa claim?

4 A. I called into -- I called attention to the fact that we
5 may need to up the reserve if we determined the
6 damages.

7 Q. Did you ever provide any input on any specific amount
8 for that reserve?

9 A. Not that I recall. It was discussed, but that's all.

10 Q. With whom did you have that discussion?

11 A. Jerry Anderson.

12 Q. Did you have any duties with regard to coverage
13 determinations?

14 A. No, sir.

15 Q. Do you usually have any duties regarding coverage
16 determination?

17 A. No, sir.

18 Q. What's your educational background?

19 A. I have four years of college. I did not graduate. I
20 have a CPCLA, which Casualty and Property Claims Loss
21 Associate.

22 Q. Where did you attend college?

23 A. Marshall University.

24 Q. What was your major at Marshall University?

25 A. Secondary education and history.

Plaintiff's Deposition Designations

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1 A. Except when I'm gone I do their work on a regular
2 basis.

3 Q. what is your standard retention or payment policy or
4 practice with the IRF? Do you take a retainer? Do you
5 get paid by the hour? How do you---

6 A. I get paid by the hour.

7 Q. Turning to the matter we're involved in this lawsuit,
8 what do you understand the case between Rewa and the
9 IRF to be about?

10 A. A coverage issue.

11 Q. About what type of incident?

12 A. The PCB contamination.

13 Q. And do you understand that the disputed issue involves
14 damage at three separate Rewa facilities?

15 A. Yes, sir.

16 Q. Do you know the names of those three facilities?

17 A. Not right off the top of my head.

18 Q. Have you been told those before?

19 A. They're in my reports.

20 Q. Have you visited any of those three facilities?

21 A. All three of them.

22 Q. would you have visited all three of them at the same
23 time?

24 A. October 12, 2013.

25 Q. You visited all three of them on the same day?

1 A. Yes. To the best of my recollection, I did all three
2 the same day.

3 Q. When did you first get involved on behalf of the IRF in
4 evaluating the damages at issue?

5 A. I received the claim from Jerry Anderson on October 11.

6 Q. Of 2013?

7 A. Yes, sir.

8 (Plaintiff's Exhibit 1 marked)

9 EXAMINATION RESUMED BY MR. BROWN:

10 Q. I've handed you a document we've marked as Exhibit 1 to
11 your deposition. Is that a document you would have
12 actually physically received?

13 A. Yes, sir.

14 Q. So the IRF would send you this form as part of its
15 retention?

16 A. This is my assignment.

17 Q. When you say your assignment, this is the form that
18 would give you your instructions as to what you should
19 be doing. Is that fair?

20 A. Plus discussions.

21 Q. At the bottom section there's a section that says Scope
22 of Assignment. Do you see that? Bottom of the first
23 page.

24 A. Bottom of the first page, okay.

25 Q. It's written in bold about two-thirds of the way down.

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1 Q. And what did Jerry tell you needed to be done?

2 A. Well, just to go see what's going on, collect the
3 information that is pertinent to the loss and any of
4 the documentation of the damages and present it to him.

5 Q. On Exhibit 1 there's a policy number provision. Were
6 you provided a copy of that policy?

7 A. I was not.

8 Q. Were you provided a copy of any policy?

9 A. No, sir.

10 Q. Do you know when Rewa reported the damages to its
11 facilities regarding the PCB contamination to the IRF?

12 A. I would assume it was the day that I received the
13 assignment. Now, if it arrived there a day or two
14 before, I can't tell you that.

15 Q. No one told you specifically when that claim or when
16 that notice was provided by Rewa?

17 A. No, sir.

18 Q. Did anyone tell you the details of what Rewa presented
19 in its notice or what they asked the IRF to do?

20 A. Jerry and I discussed the claim. When he called me on
21 the 11th to tell me he was giving me this assignment,
22 we discussed what he had received from the Insurance --
23 I mean from Rewa.

24 Q. And what---

25 A. That it was a PCB contamination and that he wanted me

1 to go and do a full investigation.

2 Q. And that's the scope of what you were told?

3 A. We discussed the coverage issues.

4 Q. What did you discuss in regard to the coverage issues?

5 A. That there may be coverage issues with this claim.

6 We're looking for what the damages are and what caused
7 the damages.

8 Q. And what did you understand to be the coverage issues?

9 A. There had to be physical damage to the covered

10 [REDACTED]

11 Q. Any other coverage issues that y'all discussed?

12 A. The cause or the origin of the loss.

13 Q. What did you discuss in that regard?

14 A. What was it and is it a covered loss, is it covered
15 under the terms of the contract.

16 Q. So we have whether there was physical damage to covered
17 property and whether the loss was caused by a covered
18 cause of loss. Those are the two coverage issues y'all
19 discussed?

20 A. Those were the two main issues, yes.

21 Q. Were there any other coverage issues that you recall
22 discussing?

23 A. I don't recall.

24 Q. Did you have any communications with counsel for the
25 IRF prior to the filing of the lawsuit?

Defendant's Deposition Counter-Designations

Page 20:2 - 20:4

1 A. No, sir.

2 Q. And it's my understanding your involvement in this
3 claim ran from October of '13 until November of '14.
4 Is that fair?

5 A. That's correct.

6 Q. Did you have any communications with Rewa at any time
7 other than during that roughly 11-month period?

8 A. Best of my knowledge, not.

9 Q. Or, excuse me, 13-month period.

10 A. No. No, I take that back. Even after I closed my file
11 in November of 2014, Brenda Page still carbon copied me
12 on their expenses, and I would just forward that on.

13 Q. Do you recall receiving a subpoena for your file in
14 this case?

15 A. Yes, sir, I do.

16 Q. And in response to that subpoena did you produce all
17 documents and materials that you had prepared or
18 provided or had related to the claim at issue in the
19 case?

20 A. I finally did after I did an e-mail search. I've had
21 two computer crashes, and my AOL crashed. So I lost
22 all that documentation. And I went back and
23 reconstituted what I had through e-mails, and I
24 provided it to Mr. Devlin or Lori at Mr. Devlin's
25 office.

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1 A. They were on the e-mails. I've had another crash since
2 then.

3 Q. And when was your second computer crash?

4 A. I don't recall. It was about a year later.

5 Q. Just looking through this 60 pages of materials, does
6 this appear to be the material that you were able to
7 re-create from your e-mails?

8 A. Yes, sir, it does. If this is what was provided by the
9 Devlin firm, yes.

10 Q. Other than Jerry Anderson what other individuals at the
11 IRF did you work with with regard to this claim?

12 A. Jerry retired, and then I started working with Rob
13 Byers.

14 Q. And is Rob Byers related to Carrie Byers?

15 A. Yes.

16 Q. How are they related?

17 A. That's their -- his sister-in-law.

18 Q. So Rob and Thomas are brothers?

19 A. Right.

20 Q. Anyone other than Jerry Anderson and Rob Byers that you
21 worked with at the IRF?

22 A. No, sir.

23 Q. Did you have any communications or conversations with
24 anyone at the IRF other than those two individuals?

25 A. No.

1 Q. Do you know who actually made the determination of
2 whether there was coverage for the loss and damage
3 suffered by Rewa?

4 A. To the best of my knowledge, it was Jerry Anderson.

5 Q. Do you know when that determination was made?

6 A. No, sir.

7 Q. Do you believe you provided information to be
8 considered as part of that determination?

9 A. Yes, sir.

10 Q. Would that information be through the reports you
11 submitted?

12 A. Absolutely.

13 Q. Would there be any other source of information you
14 provided which would have gone towards the coverage
15 determination?

16 A. The documentation provided by the insured.

17 Q. That would have been the insured provided you
18 information that you forwarded to the IRF?

19 A. That's correct.

20 Q. And that would have come through the e-mails which we
21 have marked as Exhibit 2?

22 A. If there's not any that's missing, yes. Okay? There
23 is a possibility there are some missing because, like I
24 said, my AOL, part of it was missing. I primarily
25 worked with Ms. Patricia Dennis and Brenda Page.

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1 Matter of fact, that's -- after I made my first meeting
2 that's the only people I had contact with.

3 Q. Do you recall who you met with on your first meeting
4 other than Ms. Dennis?

5 A. Patricia Dennis, Glen McManus, and Charles Vogel or --
6 I don't remember his last name. Three. They were --
7 McManus and the other gentleman were operation managers
8 or directors. Patricia Dennis was in the -- I think
9 she's in charge of the accounting. That would have
10 been October 12, 2013.

11 (Plaintiff's Exhibit 3 marked)

12 EXAMINATION RESUMED BY MR. BROWN:

13 Q. Charles Logue, L-o-g-u-e, is what I have in my report.
14 I've handed you a document which we've marked as
15 Exhibit 3. Based on the materials that have been
16 provided to me, I understand this to be your first
17 report of this matter?

18 A. That's correct.

19 Q. Other than the timing, is there any way for you to know
20 that this is a first report?

21 A. Not other than what I say.

22 Q. Just your memory and the fact that it occurred a few
23 days after your assignment?

24 A. Yes.

25 Q. On the first page it notes that there are two

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1 enclosures. The first is a series of photographs.

2 Correct?

3 A. That's correct.

4 Q. And did you personally take those photos?

5 A. Yes, I did.

6 Q. And the second is an accounting?

7 A. Correct.

8 Q. Is that an accounting that was provided to you by Rewa?

9 A. That's correct.

10 Q. And that's a breakdown of their expenses to date as of
11 October 15?

12 A. That's correct.

13 Q. Did Rewa regularly provide you updates to their
14 accounting or report of expenses?

15 A. Almost on a monthly basis. Sometimes they would miss
16 for a month, but generally almost monthly.

17 Q. On the second page it notes who you met with at the
18 Mauldin Road facility.

19 A. It was actually their headquarters. The facility is
20 across the street.

21 Q. Does this first report specifically note that you went
22 to the Pelham facility or the Lower Reedy facility?

23 A. No, it doesn't, but my pictures will show that, though.
24 They are dated.

25 Q. So if you look at picture number 17, is that from the

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1 Pelham facility?

2 A. I can't really tell you. It's in the series of
3 pictures that I took at the facilities.

4 Q. But you captioned that one Pelham Road off to the left.

5 A. You're looking at picture 34?

6 Q. Picture number 17.

7 A. Oh, 17. I'm sorry. I went to page 17. That's -- if
8 that's what I have, that's what I put. I went to three
9 different sites that day. Could I have gotten the
10 pictures mixed up? Maybe, but I don't think so.

11 Q. I don't see any picture that specifically indicates
12 that it's Lower Reedy plant. As you sit here today,
13 can you distinguish which pictures were which facility?

14 A. No.

15 Q. The pictures say next to them date taken 10/11/13, but
16 your report says your meeting with ReWa was on
17 10/12/13.

18 A. That would have probably been my mistake. It was 10/12
19 when I took the photos. Okay? That's when I met with
20 them.

21 Q. Did any of the individuals from ReWa go with you to the
22 Lower Reedy and the Pelham facilities?

23 A. No.

24 Q. You went on your own?

25 A. No. They had a supervisor meet me there.

1 Q. And if you look at the second page of your report, the
2 first paragraph ends with the sentence, "They have
3 holding tanks, pumping facilities, and drying equipment
4 contaminated at all three locations mentioned above."
5 Do you see that?

6 A. Yes.

7 Q. And those three locations would have been the Mauldin
8 Road, Lower Reedy, and Pelham facilities that you
9 visited. Is that fair?

10 A. That's correct.

11 Q. So as of that first meeting or at least by the time you
12 prepared this report October 15th, you understood that
13 those were the types of equipment and facilities that
14 were contaminated?

15 A. At that time, that was the best of my knowledge, yes.

16 Q. The property damage section right below that, can you
17 read that first sentence for me?

18 A. "At the present time, it is not clear if there is any
19 property damage or not."

20 Q. What did you mean by that?

21 A. Any physical damage to the equipment.

22 Q. Did the IRF provide you with a specific definition of
23 property damage in making that sentence?

24 A. No, sir.

25 Q. What definition did you use?

1 A. I was looking for the PCBs to cause some specific
2 physical damage to where it either caused the machine
3 to fail or if there was some kind of physical damage
4 that they had to stop and repair.

5 Q. were the holding tanks, pumping facilities, and drying
6 equipment usable in the contaminated condition they
7 were in?

8 A. Can you restate your question?

9 Q. I'll break it down. The holding tanks, could they be
10 used in their ordinary and intended purposes in the
11 contaminated state they were in as of the middle of
12 October 2013?

13 A. Not with the PCBs still in the tanks.

14 Q. And, likewise, the pumping facilities---

15 A. Same thing.

16 Q. And, likewise, the drying equipment---

17 A. Same thing.

18 Q. So all three could not be used?

19 A. Unless they were emptied.

20 Q. Are you aware of any enforcement proceedings which were
21 instituted by South Carolina DHEC or EPA against ReWa
22 concerning the PCB contamination?

23 A. At the time of my report, there was a criminal
24 investigation going on.

25 Q. Against whom?

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1 A. Don't know.

2 Q. Are you aware of any enforcement proceedings against
3 Rewa?

4 A. At that time, no.

5 Q. At any time were you aware of any against Rewa?

6 A. When you say against them, like they were guilty of
7 something?

8 Q. They were a target of an investigation for law
9 enforcement.

10 A. Not to my knowledge.

11 Q. Are you aware of any time in which South Carolina DHEC
12 or EPA issued any order which required Rewa to take any
13 action regarding the PCB contamination at issue?

14 A. I became aware of it February the 4th or the 5th, 2014.

15 Q. And do you understand that there was an order issued or
16 do you understand that Rewa had presented a cleanup
17 procedure which was not -- which was approved?

18 A. My agreement with them that they were going to keep me
19 in the loop as to the process. They did not do that.

20 Q. Let me ask you this. Let me let you answer my
21 question, and then we'll get to the information. Are
22 you aware of any order issued---

23 A. No.

24 MR. DEVLIN:

25 Let him finish asking his question. Okay?

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1 WITNESS:

2 Okay. Thank you.

3 EXAMINATION RESUMED BY MR. BROWN:

4 Q. Are you aware any order issued by South Carolina DHEC
5 or EPA which required Rewa to take any action?

6 A. No, not to my knowledge.

7 Q. And I understand your communication issues. Those are
8 addressed in some of your later reports. When we get
9 to those reports we'll discuss those. In the
10 adjustment section a little further down on that same
11 page, and the page is Bates number 36, there's a
12 sentence that reads, "If they determine cleaning will
13 be adequate, then there will not" -- and you have that
14 in all capitals -- "be any property damage to claim."
15 Do you see that?

16 A. Yes.

17 Q. What's that based upon?

18 A. The information that was given to me by Rewa.

19 Q. What information specifically was given to you that
20 formed the basis of that---

21 A. Are we going -- are we going to February? This is
22 October. They had told me that the facilities, if they
23 could clean the facilities, there would be -- there
24 wouldn't be any damage.

25 Q. Who told you that?

1 A. The people that I met at the meeting.

2 Q. Those were their words, in your recollection?

3 A. Not exactly. I can't say exactly. Can you?

4 (Plaintiff's Exhibit 4 marked)

5 EXAMINATION RESUMED BY MR. BROWN:

6 Q. I've handed you a document we've marked Exhibit 4,
7 which I understand to be your second report in this
8 matter. Is that fair?

9 A. Yes.

10 Q. And that report is dated October 18, 2013?

11 A. Correct.

12 Q. It appears that it provides segment numbers from the
13 declaration page of ReWa's building policy. Is that
14 fair?

15 A. Yes.

16 Q. But these aren't the same facilities that you -- or two
17 of the three facilities aren't the same facilities you
18 visited. Is that fair?

19 A. This was information provided to me by ReWa.

20 Q. How was this transmitted to you?

21 A. I would assume by e-mail.

22 Q. And when you looked at it, did you question whether or
23 not those were right? Because those aren't the same
24 facilities that you were told at the meeting a week
25 before.

1 A. I reported it to Jerry to let him make the decision.
2 If you see, that's a copied part of the document that
3 was sent to me from ReWa.

4 Q. It's a different font?

5 A. Yeah.

6 Q. Is that how you tell that?

7 A. Yes.

8 Q. Was this part of a longer list of segment numbers?

9 A. No.

10 Q. But you would agree that two of those properties were
11 not involved in the claim at issue?

12 A. Absolutely.

13 (Plaintiff's Exhibit 5 marked)

14 EXAMINATION RESUMED BY MR. BROWN:

15 Q. I've handed you a document which we marked as Exhibit
16 5. In the material we have been provided I understand
17 this to be your third report?

18 A. Correct.

19 Q. And, again, in the coverage section it mentions a
20 policy number. I just want to make sure I'm clear.
21 Were you ever provided a copy of that policy?

22 A. No.

23 Q. Were you ever provided a copy of any policy that ReWa
24 held?

25 A. No.

1 Q. This report, Exhibit 5, in February of 2014 mentions
2 that it attaches a Rewa loss accounting. Do you see
3 that?

4 A. Yes.

5 Q. Again, would that have been the basic close-to-monthly
6 accounting report that Rewa provided?

7 A. Yes.

8 Q. And that it includes a waste Management cleanup
9 contract and invoice and three newspaper articles?

10 A. That's correct.

11 Q. Do you still have in your file the waste Management
12 cleanup contract and invoice?

13 A. I do not.

14 Q. And do you have any of these three articles still in
15 your file?

16 A. To the best of my knowledge, I do not.

17 Q. And the monthly accounting documents that would have
18 been e-mailed to you, do you still have copies of
19 those?

20 A. No.

21 Q. In the coverage section there is a statement at the end
22 of that sentence that says, "All the segments have not
23 been identified yet." Do you see that?

24 A. Yes.

25 Q. what do you mean by that?

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1 A. I don't recall.

2 Q. The first accounting that you had been provided
3 attached to your first report was for less than
4 \$200,000?

5 A. If I remember right, approximately 116,000.

6 Q. And this one was getting close to \$2 million?

7 A. Yes, sir.

8 Q. So from October until February, there was significant
9 activity ongoing?

10 A. Evidently.

11 Q. And was that not represented in the prior monthly
12 accounting documents that you were provided?

13 A. This is when I first became aware of there was an issue
14 that I wasn't being given the information that I should
15 have been provided. I contacted Patricia and said,
16 what's up? And I asked for the contract, because I saw
17 the waste Management costs there, and I said, what's
18 going on? I need to know so I can report. This was
19 the day before this report. She sent me a copy of the
20 waste Management contract, and I forwarded it with this
21 report.

22 Q. So when you asked Rewa for the contract, they provided
23 it immediately?

24 A. Yes, sir.

25 Q. In your adjustment section you state, "It appears the

1 insured may have been holding back on the information
2 they were supposed to be sharing with us." Other than
3 what we just discussed with the waste Management
4 contract, was there anything else you believed was
5 being held back, in your words?

6 A. It was at the meeting I was in agreement that they
7 would keep me in the loop as to the process that was
8 going to have to be done to bring the facility back up
9 to operation. That included any costs or anything that
10 was going to be done. And when I saw this, a red flag
11 came up. I made the phone call, and they sent me the
12 documents, and I made this report.

13 Q. Other than the waste Management material, was there
14 anything else you believed was being held back?

15 A. I think they were putting a lot of expenses in there
16 that shouldn't have been in there.

17 Q. But they were providing you the information of those
18 expenses. Correct?

19 A. No. Just the accounting. I didn't get the invoices.

20 Q. So you believe you should have been getting invoices
21 for all the expenses?

22 A. I wasn't -- I didn't ask for the invoices. This was
23 still a coverage question.

24 Q. So was there anything else that you asked for that you
25 were not provided?

1 A. From that point forward there wasn't any additional
2 information other than the accounting, because they
3 were already in the process of dewatering the
4 facilities.

5 Q. So everything you asked for you received?

6 A. That's correct.

7 (Plaintiff's Exhibit 6 marked)

8 EXAMINATION RESUMED BY MR. BROWN:

9 Q. I hand you a document which we've marked as Exhibit 6
10 to your deposition. Is that an e-mail exchange that
11 you were a part of?

12 A. Yes.

13 Q. And the lower e-mail on the page would have been an e-
14 mail from Rewa to you?

15 A. That's correct.

16 Q. And is that providing sort of another one of these
17 accounting set of documents?

18 A. Yes.

19 Q. And then the top e-mail would have been your e-mail to
20 Mr. Jerry Anderson at IRF?

21 A. That's correct.

22 Q. You would forward that accounting summary that ran
23 through the end of March of 2014. Is that fair?

24 A. Yes.

25 Q. And then your second sentence of your e-mail says, "I

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1 do not agree with some of the costs, but it can be
2 handled after coverage decision is made." Do you see
3 that?

4 A. Yes, sir.

5 Q. What costs did you not agree with?

6 A. There was training costs, a lot of training costs in
7 there. There were some other costs that I can't
8 remember right now, but there was three or four items I
9 didn't agree with.

10 Q. Training costs is one of them. You don't recall what
11 any of the other ones were?

12 A. No, I don't.

13 Q. And, again, ReWa was in the process of basically
14 monthly updating the expenses it was spending?

15 A. As they incurred the expenses they did a monthly
16 report. Like I said, sometimes, once or twice she'd
17 miss and catch up.

18 Q. Did you have a complaint about the timeliness of this
19 accounting information from ReWa?

20 A. No, sir, I didn't.

21 Q. And the last half of that sentence we just read, "it
22 can be handled after a coverage decision is made." So
23 as of February 23, 2014 when this e-mail was sent, no
24 coverage determination had been made, to your
25 knowledge?

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1 A. It's April the 23rd.

2 Q. Excuse me. I apologize. April 23, 2014.

3 A. No, sir.

4 Q. So no coverage determination had been made. Is that
5 correct?

6 A. That's correct.

7 Q. Did Jerry Anderson between your initial assignment in
8 October and this time frame in April of 2014 tell you
9 that he needed additional information from you or Rewa
10 to make that coverage determination?

11 A. I don't recall.

12 (Plaintiff's Exhibit 7 marked)

13 EXAMINATION RESUMED BY MR. BROWN:

14 Q. I've handed you a document which we've marked as
15 Exhibit 7 to your deposition which I understand to be a
16 Quality Claim Services invoice dated April 13, 2014.
17 Is that a fair statement of what that document is?

18 A. Yes.

19 Q. And if you just look at the activity report on the
20 second and third pages of this, the first activity
21 listed is the 11th of October, 2013. So would this
22 have been your first billing to the IRF?

23 A. Yes, it would have.

24 Q. And if you go to---

25 A. To the best of my knowledge. Let me say that, because

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1 Okay?

2 Q. But if you go down that column there's an activity on
3 10/15, 10/31, 11/15, and then it turns to the next
4 page, the next entry is February 5th.

5 A. It looks like there might have been one above that,
6 though.

7 Q. Okay, that's what I was going to ask.

8 A. I don't know.

9 Q. As you sit here, can you recall any activity that you
10 took on the matter between November 15th and February
11 the 5th?

12 A. I don't recall.

13 Q. If you look down further on that last page of Exhibit
14 7, there is an entry that states it was completed on
15 4/5/2014. Do you see that one?

16 A. Yes.

17 Q. And it says the description is requesting information
18 regarding coverage, two e-mails?

19 A. Yes.

20 Q. With whom were those e-mails?

21 A. Patricia Dennis.

22 Q. And what information were you requesting?

23 A. She was requesting coverage decision.

24 Q. So that would have been an inquiry from Rewa to you
25 about whether there had been a coverage decision yet?

1 A. Correct.

2 Q. If you could pull Exhibit 2 back out for me and turn
3 with me to the page that's numbered at the bottom F.
4 Young 33. There is an e-mail inquiry that's dated
5 April 9th from Ms. Dennis is asking about whether
6 there's been a coverage determination. Do you see
7 that?

8 A. Yes.

9 Q. And, in essence, your response is that I've been
10 sending your information you've been providing and I
11 have made IRF aware of the inquiry regarding what the
12 coverage decision is?

13 A. Yes.

14 Q. And that was on April 9, 2014. Right?

15 A. That's correct.

16 Q. If you go back to Fred Young 31, two pages earlier, the
17 top e-mail is an e-mail from you to Jerry Anderson.
18 Correct?

19 A. Yes.

20 Q. And there's a BCC on it to M.F. Byers. Is that Mike
21 Byers?

22 A. That's correct.

23 Q. And that would have been the owner of Quality Claim
24 Services at the time?

25 A. That's correct.

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1 Q. And in your e-mail to Jerry, you forward on the
2 accounting, the monthly accounting information from
3 Rewa. Is that right?

4 A. That's correct.

5 Q. And then you stated, "As I've stated before, I do not
6 agree with all the charges." And you put an
7 exclamation point after that?

8 A. Correct.

9 Q. And you mentioned before you didn't agree with training
10 costs. As you sit here today, can you recall any other
11 charges you didn't agree with?

12 A. I don't recall.

13 Q. And then the next sentence is, "Have you sent them a
14 reservation of rights letter as we have done with other
15 claims with PCB contamination?" Do you see that?

16 A. Yes.

17 Q. What other claims with PCB contamination had you worked
18 with the IRF?

19 A. Spartanburg Sewer.

20 Q. Any others?

21 A. That's it.

22 Q. Was it your decision to determine whether to send a
23 reservation of rights letter?

24 A. No, sir.

25 Q. That would have been Jerry Anderson's decision?

1 A. That's correct.

2 Q. If you'll look ahead to the page that's F. Young 50 in
3 Exhibit 2, is that another e-mail exchange similar to
4 the ones we've been discussing?

5 A. Right. Yes.

6 Q. In the below e-mail Brenda Page had sent you the
7 monthly expenses from ReWa?

8 A. Yes, sir.

9 Q. And then you forwarded that on to Jerry Anderson?

10 A. Yes, sir.

11 Q. And your last sentence of your e-mail is, "I'm not sure
12 every penny of this is related, but that would have to
13 be decided upon coverage determination"?

14 A. Correct.

15 Q. And this e-mail is June 6, 2014?

16 A. Yes, sir.

17 Q. So as of June 6, 2014, you were not aware of any

18 coverage determination having been made yet. Correct?

19 A. That's correct.

20 (Plaintiff's Exhibit 8 marked)

21 EXAMINATION RESUMED BY MR. BROWN:

22 Q. I've handed you a document which we marked as Exhibit
23 8. Is that another e-mail exchange involving you?

24 A. That's correct.

25 Q. And the bottom e-mail is another e-mail from Brenda

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1 Page at ReWa forwarding you the monthly accounting
2 information?

3 A. That's correct.

4 Q. And then you were forwarding it to Rob Byers at this
5 time at the beginning of October of 2014?

6 A. Yes, sir.

7 Q. Your second sentence says, "Jerry said he had sent them
8 proofs for \$10,000 for each unit involved as per policy
9 limit." Do you see that?

10 A. Yes, sir.

11 Q. As of October 6, 2014, did you understand that the IRF
12 had made a coverage determination?

13 A. I had talked to Jerry, and I can't tell you the exact
14 date, and he said that he had gone through the
15 insurance policy and found coverage for them, 10,000
16 per unit. I was not -- I do not have a copy of the
17 policy. I did not have a copy of the policy, and so I
18 was not aware of where he found that coverage, and he
19 said he had sent them a proof.

20 Q. Do you know when that determination was made?

21 A. No, sir.

22 Q. Do you recall when you were informed of that coverage
23 determination?

24 A. Before this e-mail.

25 Q. But beyond that you can't pinpoint it?

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1 A. No, sir.

2 Q. Do you know when Rewa was informed of any coverage
3 determination?

4 A. No, sir.

5 Q. You mentioned that Jerry said he had sent proofs. Do
6 you know when any proofs were sent to Rewa?

7 A. No, sir.

8 Q. And then you asked, "Do you want me to keep my file
9 open?" why did you ask that?

10 A. I asked him if he wanted me to close the file or not.

11 Q. What particular event made you believe that they might
12 want to close the file?

13 A. All I was doing was sending monthly reports, and Jerry
14 had said that he had sent the proofs. So there was no
15 reason for me to keep my file open.

16 Q. Did you receive a response to that question?

17 A. I closed my file in November, so evidently I did.

18 Q. Do you recall specifically having a conversation with
19 anyone telling you to close the file?

20 A. Rob.

21 Q. Anyone?

22 A. Rob Byers.

23 Q. Did you have a telephone conversation with Rob where he
24 said close the file?

25 A. I don't know if it was a -- I don't know if it was a

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1 had sent proofs for certain coverage to ReWa. Correct?

2 A. Yes.

3 Q. Did you have any conversation in that same time frame
4 with Jerry about why he believed there was not
5 additional coverage?

6 A. How about restating that, please?

7 Q. Sure. In the summer or fall of 2014, did you have any
8 conversations with Jerry Anderson about the basis for
9 his coverage determination?

10 A. I do not recall specifically.

11 Q. Do you have any type of general understanding of that
12 kind of communication?

13 A. We talked about him sending the \$10,000 proof per unit.
14 It was his determination by going through the policy
15 and the policy language and endorsements that there was
16 \$10,000 per unit coverage for this type of loss, but
17 that's all I remember.

18 Q. Did he tell you at any point why there was not coverage
19 for more of the expenses incurred?

20 A. That was his determination, no.

21 Q. And he did not tell you the basis of that
22 determination?

23 A. No.

24 Q. Did he tell you the basis of that determination at any
25 time?

1 A. For no coverage or additional payments?

2 Q. Yes.

3 A. No physical damage to the units is what my
4 determination was. I mean, not my determination, but
5 my discussions with him over the period of me being
6 involved in the claim was that the PCBs did not cause
7 direct physical damage to the units.

Plaintiff's Deposition Designations

Page 50:7 - 50:19

1 2014?

2 A. It appears so.

3 Q. If you look on the Activity Report on the second page
4 of this exhibit, which is Bates number 1403 at the
5 bottom. Do you see that?

6 A. Mm-hmm.

7 Q. There's an entry at the bottom of that page that's
8 dated 9/10/2014. Do you see that?

9 A. Yes, sir.

10 Q. And the description says, "New summary, Patricia Dennis
11 called wanting coverage determination." Do you see
12 that?

13 A. Yes, sir.

14 Q. Would that have been an inquiry from Ms. Dennis at Rewa
15 asking whether a coverage determination had been made?

16 A. That's correct.

17 Q. And would you have expected it to have been on or about
18 the date that's listed here as September 10, 2014?

19 A. Yes.

20 Q. And then below that you have a statement that says,
21 "Called Jerry and discussed. He said he is going to
22 send proofs for 10,000 for each unit per policy
23 language"?

24 A. I would -- if you're looking at the dates, I think
25 that's going to be the 9/10, and if you go on down, the

Plaintiff's Deposition Designations

Page 51:11 - 51:21

1 11/6 is for the next entry on the second page.

2 Q. That's my question, but did I read that language
3 correctly?

4 A. The one I'm looking at is the 9/10 would be listed for
5 "Called Jerry and discussed it." All right?

6 Q. Okay. So the language here, "Called Jerry and
7 discussed, he said he is going to send proofs for
8 10,000 for each unit as per policy language" would
9 relate to the 9/10 entry?

10 A. That's correct.

11 Q. The September 10, 2014 entry?

12 A. Right.

13 Q. So in response to the call from Patricia Dennis about
14 coverage, you had this call with Jerry Anderson?

15 A. And that is the date that he told me he was going to
16 send the proofs, but I wasn't aware of that until you
17 produced this document.

18 Q. So on or about September 10, 2014, Jerry Anderson would
19 have told you that he had made a coverage
20 determination?

21 A. That's correct.

22 Q. And that he was going to send proofs pursuant to that
23 coverage determination?

24 A. Yes, sir.

25 Q. If you go to the top of the next page there is an entry

Plaintiff's Deposition Designations

Page 54:2 - 54:7

Defendant's Deposition Counter-Designations

Page 54:22 - 54:25

1 A. Correct.

2 Q. And other than the direct physical loss language that
3 you've already testified about discussing with Jerry
4 Anderson, did you have conversations or communications
5 with Jerry Anderson or Rob Byers about any of the other
6 policy language within those policies?

7 A. No.

8 Q. You said that you had worked the Spartanburg Sewer PCB
9 contamination matter, as well?

10 A. That's correct.

11 Q. Were you provided any policy documentation working that
12 claim?

13 A. No.

14 Q. Separate and apart from it being provided specifically
15 for this case, did you have copies of any of that
16 policy information in your possession?

17 A. No.

18 Q. The duties you were assigned in this matter, did they
19 differ in any way to the duties that you were assigned
20 in the Spartanburg matter?

21 A. No.

22 Q. Were you asked to make any assessment or evaluation as
23 to whether or not the Rewa facilities were covered
24 property under the policies?

25 A. No.

Plaintiff's Deposition Designations

Page 55:15 - 56:2

1 Q. Again, you were never provided a copy of the
2 declaration page to see if they were listed as covered
3 property?

4 A. No.

5 Q. Were you ever asked to make any assessment or provide
6 input regarding whether or not the cause of the loss
7 was a covered cause of loss?

8 A. Yes.

9 Q. And what did you do in that regard?

10 A. At the time after talking with Jerry during the first
11 of the assignment, he explained to me what he felt was
12 a covered loss, and we determined or he asked me to
13 collect the information so that we could determine what
14 caused the loss and if it would be a covered loss.

15 Q. And what did Jerry Anderson tell you that he had
16 determined would be a covered loss?

17 A. He actually didn't say this is it, but he did say that
18 we need physical damage to the facilities by the
19 contaminant.

20 Q. But did he specifically talk about the cause of the
21 loss?

22 A. The cause of the loss would have been the contaminants.

23 Q. Did Jerry Anderson tell you that?

24 A. We had a discussion about it. I don't know if it was
25 specifically said that way, but we did talk about what

1 the cause of the loss was, the PCB contaminants, and
2 were they going to cause damage to the facilities.

3 Q. Anything else about the cause of the loss that was
4 discussed with Jerry Anderson?

5 A. No, sir.

6 Q. I think that's all I have.

7 MR. DEVLIN:

8 Nothing over here.

9 (There being no further questions, this deposition concluded
10 at 11:23 AM)

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QUALITY CLAIM SERVICES, INC.

IADA Member

PROPERTY, CASUALTY & DAMAGE APPRAISALS: autos, boats, motorcycles, heavy equipment

121 METRO DRIVE
SPARTANBURG, SC 29303

864/948-0517 OFFICE
864/948-1034 FAX

October 18, 2013

Jerry Anderson
SC Insurance Reserve Fund
PO Box 11066
Columbia, SC 29211

RE: Insured: Renewable Water Resources
Your File#: 01078
Date of Loss: 08/23/13
Type of Loss: PCB Contamination
Our File #: 13-2605

Dear Jerry:

Since my last report of 10/15/13, I have been able to obtain segment numbers for your records.

The segment numbers on our Building and Personal Property policy F130230114 for the plants involved are:

- [] Segment 50 Durbin Creek
- [] Segment 65 Gilder Creek
- [] Segment 90 Pelham

REMARKS: Please review my report and if you have any questions and or advise please call me at (864) 473-7217.

Thank you for the assignment.

Sincerely:

Fred Young



Fred Young, Adjuster
Quality Claim Services, Inc.
fredyoung55@aol.com

SCBCB 000061

1 STATE OF SOUTH CAROLINA
2 COUNTY OF GREENVILLE

IN THE COURT OF COMMON PLEAS

3 - - -

4 RENEWABLE WATER RESOURCES, :
5 Plaintiff, :
6 vs. : Case No.
7 INSURANCE RESERVE FUND, A DIVISION : 2016-CP-23-5905
8 OF THE STATE FISCAL ACCOUNTABILITY :
9 AUTHORITY OF SOUTH CAROLINA, :
Defendant. :

11 30(b)(6) DEPOSITION OF RENEWABLE WATER RESOURCES
12 GIVEN BY: JOEL HENRY JONES

13 DATE TAKEN: Thursday, July 26, 2018
14 TIME BEGAN: 9:46 a.m.
15 TIME ENDED: 2:58 p.m.
16 LOCATION: Nelson Mullins Riley & Scarborough, LLP
17 104 South Main Street, Suite 900
Greenville, South Carolina 29601
18 REPORTED BY: Jeanne M. McLaren, CSR, RMR
19 EveryWord, Inc.
20 P.O. Box 1459
Columbia, South Carolina 29202
888-341-1114

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25 ALSO ATTENDING: Mr. Chris Lombard, CPCU, ARM, AIC,
Assistant Director of Claims for the South Carolina
State Fiscal Accountability Authority;

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Defendant's 30(B)(6) Deposition Designations

Page 14:1 – 17:11

1 Q. Okay. Mr. Jones, you've been
2 designated -- looking at Exhibit Number 1 that we have
3 premarked -- you've been designated for topics 1 through
4 5, number 12 and 17 through 23. Is that your
5 understanding?

6 A. That is my understanding, yes, sir.

7 Q. I assume you've reviewed this deposition
8 notice and Exhibit A prior to the deposition?

9 A. Yes. I have read through it, yes, sir.

10 Q. Are you knowledgeable, and the appropriate
11 individual, to respond to those areas?

12 A. I have some knowledge in these areas.

13 Q. Do you know of anybody who is more
14 knowledgeable than you in any of these areas?

15 A. Probably not.

16 Q. Okay. Let me start with a pretty basic
17 question and ask you to describe the nature of ReWa's
18 business.

19 A. We are a wastewater services provider. We
20 provide collection, transport and treatment of
21 wastewater from the -- from our service area, which
22 consists of Greenville County and portions of several
23 surrounding counties.

24 Q. Any other aspect of the business?

25 A. We do produce products that we consider

1 beneficial. That's biosolids, which are land applied to
2 farms as a fertilizer. We do produce energy for our own
3 consumption and also to put back on the -- the electric
4 grid.

5 Q. And how do you produce energy?

6 A. We have -- we have solar production. We also
7 have generation capability through a combined heat and
8 power unit, which burns methane gas as a fuel to produce
9 electricity and heat.

10 Q. And that's methane gas that's a byproduct of
11 the wastewater process?

12 A. That is correct. That is correct, um-hum.

13 Q. All right. We'll talk a little bit more about
14 the biosolids later. Is that within your realm of
15 knowledge and testimony?

16 A. To an extent, yes.

17 Q. And providing wastewater services, can you
18 break that down a little bit more? What does that
19 consist of?

20 A. Well, I basically did break it down. That
21 consists of the collection services. So in some areas,
22 although limited, we do provide the service laterals to
23 collect the wastewater from the homes, the streets.
24 Primarily, we're a transport utility, which means we
25 have the larger pipes where all the smaller pipes come

1 to us, and we transport the waste to our treatment
2 facilities. And of course, once it gets to us, we treat
3 it. We -- we remove the contaminants and pollutants and
4 biologically treat it and then put it back into the
5 streams or beneficially reuse it if we have an
6 opportunity to do that.

7 Q. And what's the importance of removing the
8 contaminants?

9 A. Well, it's -- it's required by our NPDES
10 permit, that we do that to a certain level. And so that
11 is the service that we provide, is to make -- reclaim
12 the water so it can be used either in the environment or
13 used for some beneficial use, whether that's irrigation
14 or industrial use or something like that.

15 Q. So you take the wastewater, which is
16 essentially sewage, correct?

17 A. That's right.

18 Q. And remove the contaminants through your
19 process and then return clean water into the
20 environment?

21 A. That's correct.

22 Q. You mentioned an EPA permit. Tell me what
23 type of permit you operate under.

24 A. We operate under -- our facilities operate
25 under an NPDES, National Pollutant Discharge Elimination

1 System, permit. It was part of the Clean Water Act.
2 All discharges to the environment must have an NPDES
3 permit, and it has the limits and terms and
4 specifications under which we can discharge to the
5 environment.

6 Q. Do you have a permit issued directly to ReWa,
7 or do you operate under DHEC's permit?

8 A. DHEC administers the NPDES program. They're a
9 delegated authority to administer that program from EPA.
10 Each one of our facilities has a separate NPDES permit,
11 so it is not a ReWa permit. It is facilities specific.

12 Q. I may have this lingo wrong. I've seen it
13 before or dealt with it before. Would an MP4 for
14 municipalities --

15 A. We do not do stormwater.

16 Q. Okay. That's right.

17 A. That's a stormwater permit.

18 Q. That's purely stormwater?

19 A. That's purely stormwater, that's correct.

20 Q. And you are solely in the wastewater business?

21 A. Yes.

22 MR. STILWELL: And renewable energy.

23 THE WITNESS: And renewable energy and
24 renewable water.

25 BY MR. LINDEMANN:

Defendant's 30(B)(6) Deposition Designations

Page 21:12 - 21:25

1 basically, they are just holding tanks for this
2 material.

3 Q. Before I get back to the chronology, as far as
4 the PCBs, let me ask you this: As I understand it, the
5 three facilities at issue in this litigation are the
6 Mauldin Road facility, the Lower Reedy River facility
7 and the Pelham facility; is that correct?

8 A. Yes, sir.

9 Q. Is the wastewater processes the same in all
10 three of those plants?

11 A. Not exactly, no.

12 Q. Well, let me ask you for each one, and then
13 we'll come back to the PCBs -- the chronology with that.
14 Let me ask you about Pelham. Can you sort of walk me
15 through what the various processes are for when
16 wastewater enters the influent -- enters the plant to
17 the point in time that it's discharged?

18 A. I will do my best.

19 Q. Okay.

20 A. You will have some gentlemen in here, maybe
21 this afternoon, that can probably do this a little
22 better.

23 Q. Who would --

24 A. Kevin James is probably our -- our expert on
25 the facilities and the process.

Plaintiff's 30(B)(6) Deposition Counter-Designations

Page 23:4 - 31:14

1 either put in a dumpster, or some vessel, and it is held
2 for a certain -- you know, until we have enough to have
3 it taken to a landfill. It is not further processed.

4 Q. So what happens after that screening in the
5 grit chamber?

6 A. It goes to primary clarification, which are
7 basically settling tanks that allow the solids to be
8 settled to the bottom, the clearer water to be taken
9 from the top. The removed solids are pumped into
10 anaerobic digestion.

11 Q. From the primary clarification?

12 A. Yes. Yes, sir.

13 Q. And did you say aerobic or anaerobic?

14 A. Typically, for these facilities, it will be
15 anaerobic.

16 Q. Can you tell me the difference?

17 A. Well, anaerobic has no free oxygen in it. In
18 fact, it should have no oxygen in it.

19 Q. Okay.

20 A. Free or bound.

21 Q. All right. And we'll get back to the solids.

22 So far as the wastewater goes, where does it go from
23 primary clarifiers?

24 A. It goes to a biological treatment reactor
25 where it goes through a series of aerobic and anoxic

1 conditions that remove the biological constituents as
2 well as the nutrients.

3 Q. What kind of -- what kind of a unit is that, a
4 biological reactor? What's that like?

5 A. It's a tank. And these typically are what are
6 considered a plug flow. I can't remember exactly how
7 these are configured, but the water just moves through
8 and it has aeration to add to it to promote the growth
9 of the right bacteria that attack the pollutants and
10 remove them from the -- from the system.

11 Q. And then from the biological reactor, where
12 does it go?

13 A. It goes to the secondary clarifiers, which
14 work most like the primary, but the water is, by this
15 time, very clean. So the solids settle to the bottom.
16 Part of those solids are wasted, what we -- what we term
17 wasted. And they're pulled out, and they're put into
18 the digester -- added to the primary solids and put into
19 a digester, either blended before or blended in the
20 tank, to be further processed as solids. Most of the
21 solids in the secondary clarifier are returned to the
22 treatment vessel because they contain the bacteria that
23 is necessary for the treatment.

24 Q. And when you use the words "treatment vessel,"
25 is that the same as the biological reactor?

1 A. Yes, sir. The biological reactors, that's
2 correct.

3 Q. All right. And so from the secondary
4 clarifier, where does the water go?

5 A. The water then -- is either filtered, it goes
6 through a fine filtration system. I think all three of
7 those facilities have fine filtration. And then it's
8 sent through an ultra violet process to kill any
9 bacteria or pathogens that may be in it and is
10 discharged to the stream.

11 Q. And the discharge is where for the Pelham
12 plant?

13 A. The discharge is in the Enoree River.

14 Q. In the Enoree River?

15 A. Yes, sir.

16 Q. All right. As far as the solids go when they
17 come out of the -- or you said when the primary solids
18 come out of the primary clarifier, they go to a
19 digester; is that correct?

20 A. Yes.

21 Q. Can you describe the digester to me?

22 A. The digester is a -- is a circular vessel. It
23 is -- as I said, it is an anaerobic vessel, which means
24 it has a -- it develops a seal from a lid. And some of
25 them are fixed lid. Some of them are floating lid. I

1 believe, these may be fixed lid, so it does not allow
2 any source of oxygen into it. And so the solids in it
3 are further processed using anaerobic bacteria, which
4 break down the volatiles in the solids, remove certain
5 level of bacteria and any volatility -- and when I talk
6 about volatility, that's -- that's things that
7 would -- would create some kind of nuisance odor or
8 attract, you know, rodents and things when it's put on
9 the land. So it just -- it basically sits there and
10 anaerobically ferments.

11 Q. And how long do the solids remain in the
12 digester?

13 A. It varies. Typically, it's around 30 days, I
14 believe.

15 Q. And what occurs at the end of those 30 days,
16 or whatever the time period is, where the process is
17 complete?

18 A. The solids are taken out. Most of the time
19 they are further thickened, and then they're put in the
20 holding tanks to -- to wait land application.

21 Q. Explain that to me. Why are they further
22 held?

23 A. Well, when we land apply, it is not efficient
24 to -- to transport water, so -- but we can only have it
25 so thick and still land apply it. So we thicken it to

1 the optimal level, which typically, I think, is around 3
2 or 4 percent to get them to that consistency. So when
3 we remove them, we're removing them at the -- we're not
4 taking too much water, but we're not getting solids that
5 are so thick that we can't get them on -- get them
6 through the process.

7 Q. Okay. So is that a dewatering process?

8 A. It is a dewatering process, further
9 dewatering.

10 Q. And so how is that accomplished, the
11 thickening?

12 A. Gravity belt thickeners, I believe, for these
13 facilities.

14 Q. Can you explain to me how that works?

15 A. It's -- it's, basically, a rotating filter
16 on -- it looks like a giant ping-pong table. It has a
17 rotating filter. The sludge is put on it. It can or
18 cannot be mixed with a polymer, depending on what you're
19 trying to do to help -- the water falls out, the solids
20 stay on it. They ride to the other side, and they fall
21 in a hopper and they're pumped to -- to a vessel.

22 Q. So a polymer is used, then, as a thickening
23 agent?

24 A. Yes. It aids in the thickening process.

25 Q. Okay. Is there a particular polymer that's

1 used?

2 A. I -- yes, there is. I don't know what it is,
3 but yes.

4 Q. That's something that Mr. James might be able
5 to tell me?

6 A. Mr. James can probably tell you the exact
7 formulation. Yes, sir.

8 Q. Any other process that's used for dewatering
9 the solids or the sludge, essentially?

10 A. Well, we do have belt presses that are used.
11 I couldn't speak as -- you know, whether they are used
12 all the time now or if they were being used all the time
13 then. But typically, at most every treatment facility,
14 we have belt presses.

15 Q. All right. Any other method used for
16 dewatering?

17 A. Not at these facilities, I don't believe.

18 Q. All right.

19 A. We do have a centrifuge at another facility
20 but not here.

21 Q. So what happens, then -- I assume -- well,
22 you're not certain if the belt presses are used or not
23 together with the gravity belt?

24 A. No. I don't -- they are used, but I don't
25 know how often and I don't -- it's based on the need.

1 Q. Okay.

2 A. What needs to be done.

3 Q. And I guess my question is: In what order?

4 Do they go to a belt press first and then to the gravity
5 belt or the other way around?

6 A. It could be either way, to be honest with you.

7 Typically, the gravity belt thickener is used prior to

8 putting it in a tank, okay? The belt -- the belt

9 presses are used before its final destination. If we're

10 going to take it to the landfill, then we'll use the

11 belt presses to thicken it to a point that makes it --

12 gets it thick enough that the landfill will take it.

13 Q. Okay. So from the gravity belt, it goes into
14 a storage tank?

15 A. Typically, yes.

16 Q. And --

17 A. It can be -- I'm sorry.

18 Q. And at that point, the belt press hasn't been
19 used -- if the belt press is going to be used, it's
20 later in the process, after they're removed from the
21 storage tanks?

22 A. Most of the time. The belt press can be used
23 in lieu of taking it to the digester. And it can go
24 straight to a belt press and be pressed then taken off
25 to the landfill. It does not have to go to a digester.

1 Q. Oh, okay. So it's also part of the process,
2 or potential process, that the solids go from a primary
3 clarifier to the belt press?

4 A. I believe they can, yes.

5 Q. Okay.

6 A. That would be a question to confirm with
7 Kevin.

8 Q. But that's not what you typically do?

9 A. No, sir.

10 Q. So typically, the solids go from the primary
11 clarifier to a digester and from a digester to the
12 gravity belt and then to a storage tank?

13 A. Yes. And they can be -- they can be thickened
14 from the primary clarifier before they go into the
15 digester. That's -- that is an option as well.

16 Q. The storage tanks that hold the -- are they
17 considered biosolids at that point?

18 A. Yes.

19 Q. And the storage tanks that holds those, do
20 they have -- are they referred to specifically by a
21 certain name?

22 A. Sludge holding tanks is typically what
23 we -- is how they're designated on most of the -- the
24 information. We like to refer to them as biosolids
25 holding tanks.

1 Q. All right. And so take me through what
2 happens to the biosolids after they've been put into
3 those tanks.

4 A. Once they're put in the tanks, they
5 are -- they are ready for their final disposal, whatever
6 that is. Most of our solids are taken and used for land
7 application on farmland. And so they would just stay in
8 the tanks until the tank is sufficiently full or the
9 rotation comes to where we would have trucks come in and
10 remove the solids and take them to the fields.

11 Q. When they're used for fertilizer, land
12 application as you put it, are they sold for that
13 purpose?

14 A. No, no.

15 Q. Okay. So there's no money being made in that
16 process?

17 A. There is no money being made.

18 Q. And so they have an agricultural purpose,
19 basically?

20 A. They have a beneficial agricultural use.

21 Q. And so when the biosolids are used for the
22 land application purpose, they're essentially trucked
23 out of the facilities?

24 A. That's correct.

25 Q. And that's an expense that ReWa incurs, the

Defendant's 30(B)(6) Deposition Designations

Page 40:3 - 40:17

1 you did not have much knowledge of.

2 A. I do not, sir.

3 Q. And then as far as the PCB contamination that
4 is involved in this litigation, apparently, that was
5 first detected in January 2013?

6 A. I believe that's correct. Yes, sir.

7 Q. And you indicated that you're the one who
8 actually detected that in the samples?

9 A. Well, I'm the one that originally read the
10 laboratory report that -- where it was detected.

11 Q. And this was just a routine laboratory report?

12 A. My recollection is it was an annual sample
13 taken -- I think it was in conjunction with our
14 pretreatment program. Annually we have to take samples
15 of the processes to ensure that there's no additional --
16 or any industrial impact, and I believe that sample was
17 part of that program.

18 Q. And that was a sample from the Pelham
19 facility?

20 A. Yes, sir.

21 Q. Do you know specifically what part of the
22 Pelham facility that sample was taken?

23 A. I do not.

24 Q. And what did that sample show as far as PCB
25 presence?

Defendant's 30(B)(6) Deposition Designations

Page 49:3 - 50:24

Plaintiff's 30(B)(6) Deposition Counter-Designations

Page 50:25 - 51:14

1 putting some, if not all, the PCB into the treatment
2 systems.

3 Q. As far as ReWa's facilities go, is there an
4 understanding of how Mr. Howard put it into your system?

5 I know other systems were affected by --

6 A. We do know that -- we do know that some of
7 the -- some of the PCB came to us through grease
8 interceptors. There was discharge into those and then,
9 thus, into our system through that.

10 Q. Any particular place?

11 A. Well, we -- ultimately, we found about 20
12 different grease interceptors that were contaminated,
13 some more than others. We believe most of it,
14 especially for the Pelham facility, probably came
15 through the Bi-Lo on Wade Hampton -- or West
16 Wade Hampton, I believe it might be.

17 Q. How about for the Mauldin and the Lower Reedy
18 facilities?

19 A. I don't know that we ever determined a source
20 or the alpha source. We did find some restaurants that
21 had contaminated grease interceptors on those facilities
22 as well.

23 Q. Now, you mentioned earlier that the Mauldin
24 facility also accepts grease as well as, I guess, what's
25 removed from septic tanks?

1 A. That's correct.

2 Q. Is that what's called "septage"?

3 A. We call it septage, yes. Spell check does not
4 like that word, but that's what we call it. Septage.

5 Q. Okay. But that distinguishes Mauldin from the
6 other two facilities?

7 A. Yes. That is the only facility where we
8 provide that service. Yes.

9 Q. And how does that work? Basically, trucks
10 roll up -- tanker trucks roll up and deposit the grease
11 in the --

12 A. Yes. At that time there was a receiving
13 station, which consisted of a simple screening process
14 in a place that they could back their trucks. These
15 are, typically, not semi-sized trucks. These are, you
16 know, 1500- to 3500-gallon trucks. And they would bring
17 the material to us. At that time they would leave a
18 form that said where the source was that they got it.
19 And they would leave payment coupons to pay for the
20 service.

21 Q. Were those materials tested before they were
22 accepted?

23 A. They were not. At that time they were not.
24 No, sir.

25 Q. Okay. And Mr. Howard was in that business,

1 correct?

2 A. He was in that business; that is correct.

3 Q. Was it ever determined whether Mr. Howard
4 actually deposited any PCB contaminated grease or
5 septage at the Mauldin Road facility?

6 A. Yes. We tested his truck after he had
7 discharged at our facility one day, and those tests came
8 back and showed that there was PCB present in the
9 residuals in his truck. So we surmised that, yes, he
10 had been discharging some quantity, no way to know how
11 much.

12 Q. When was it that that was detected?

13 A. That was in -- I think it was in August of
14 2013, maybe first week, mid -- middle of August.

15 Q. When were PCBs first detected in the
16 Mauldin Road facility?

17 A. We'd have to refer to the timeline. I
18 can't -- sometime between January and -- and the summer.

19 Q. And I know we're going to get a copy of this
20 particular timeline. We'll make it an exhibit when we
21 get it. Were you involved at all in preparing that
22 timeline?

23 A. I did provide some of the line items for the
24 timeline that -- as they pertained to my activities.
25 Yes, sir.

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1 Q. Do you know who else contributed to the
2 timeline?

3 A. I believe Glen McManus would have contributed,
4 and his staff, which would have included Kevin James and
5 others. I'm not sure who all was working --
6 Charlie Logue was probably putting information into it
7 as well.

8 Q. Do you know who actually compiled that
9 timeline and put it all together?

10 A. I think Charlie Logue did. It was Charlie or
11 Glen. And Glen may be able to answer that question
12 better than I can.

13 Q. Who was the executive director at that time?

14 A. Ray Orvin.

15 Q. And he's since retired, correct?

16 A. That's correct.

17 Q. When did he retire, do you know?

18 A. The end of 2016?

19 MR. STILWELL: December 2016, something like
20 that.

21 THE WITNESS: Yeah.

22 BY MR. LINDEMANN:

23 Q. And who has replaced him?

24 THE WITNESS: Was it '15?

25 MR. STILWELL: '15.

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1 Q. All right. And then January 31, I know it
2 says "3013," but obviously, it means 2013. Take me
3 through what that entry indicates.

4 A. That would be the -- based on the previous
5 detection, that was a follow-up sampling of all the rest
6 of the active solids tanks, digesters and holding tanks
7 to screen for PCB.

8 Q. And it indicates that only one digester was in
9 operation at that time?

10 A. That's what it says. Yes, sir.

11 Q. Is that how these particular facilities are
12 designated, digester 1, digester 2?

13 A. Yes.

14 Q. And then holding tanks 1 through 6?

15 A. Yes.

16 Q. So it shows only four holding tanks were then
17 sampled; is that correct?

18 A. Yes, sir.

19 Q. I assume, then, that holding tanks 1 and 2
20 were empty?

21 A. I can only assume that's -- that's the case.
22 Yes, sir.

23 Q. The intention there was to sample all holding
24 tanks that had any biosolids in them?

25 A. I believe that would be the intention. Yes.

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1 Q. And it shows a January/February entry talking
2 about DHEC. Take me through that.

3 A. This was a -- this was a conversation that I
4 had with DHEC to determine potential sources of PCB. We
5 were just looking for anything that -- because PCB is
6 not -- you know, it's not used -- is not in any of our
7 industrial processes, so we were trying to determine
8 what the source might be. I knew that they were going
9 through the Twelve Mile River cleanup during that time.
10 And I thought there may have been some
11 cross-contamination, potentially, from vendors or trucks
12 that may have been used in that cleanup in our -- our
13 contamination, but the -- that did not pan out. It was
14 two different -- two different types of PCBs.

15 Q. And tell me what Twelve Mile River is. I
16 assume it's some sort of super --

17 A. It is a cleanup site from -- I think it was an
18 industrial user in the Pickens area that discharged PCBs
19 into the Twelve Mile River, which made it to the
20 Hartwell lake.

21 Q. And is that now affiliated with Duke Power?

22 A. No.

23 Q. Okay. Well, I was guessing that based on the
24 next entry. It shows some sort of communication with
25 Duke Energy.

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1 A. Just following up on leads, you know, looking
2 at their -- their program for replacing and cleaning
3 transformers that may have legacy PCB in them to see if
4 there was any potential to -- that they had contracted
5 or subcontracted that out within our service area.

6 Q. And what was learned from those
7 communications?

8 A. It was -- it was -- all their transformers are
9 taken, I believe, to Charlotte or somewhere like that
10 for processing. And there was -- their locations here
11 were dry. They had no connections to the sanitary
12 sewer.

13 Q. And were those communications -- both with
14 DHEC and with Duke Energy, were those by you or were
15 there others?

16 A. I know that I was involved. I think they were
17 initiated by me, but I can't recall who else may have
18 had follow up. I may have assigned staff to follow up
19 or something like that.

20 Q. And it refers to it as pretreatment?

21 A. Um-hum.

22 Q. What does that mean? Basically the
23 pretreatment department?

24 A. That's right. Pretreatment department, yes,
25 sir.

1 Q. And that's something you were over at that
2 time?

3 A. That's correct.

4 Q. The next entry talks about -- again, it gives
5 the date as February generally. "Pretreatment
6 discussed, sampling techniques and options with contract
7 labs to determine most likely way to detect presence of
8 PCB." Can you elaborate on that?

9 A. Yes. We were just looking at the best way to
10 try to track the source as we were talking about trying
11 to sample various locations, whether that's lift
12 stations or collection lines or trunk lines. You know,
13 what would they suggest? What were some good techniques
14 for us to be able to do that and looking if there was
15 any easy screening processes, you know, pocket tests or
16 something that we can see if PCB was there, just -- just
17 trying to get a plan.

18 Q. February 11th, 2013, "Routine annual biosolids
19 program sampling at Mauldin Road; holding tank
20 number 8." Tell me what that means.

21 A. I think that's an entry just designating that
22 that sampling was done at that time. There will
23 probably be a follow-up entry stating what the results
24 of that was.

25 Q. So that was the date that the sampling was

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1 Q. All right. And then next entry, February 13,
2 2013, there was a meeting with pretreatment and
3 operations to discuss the PCB issue?

4 A. Yes, sir.

5 Q. Do you recall being part of that meeting?

6 A. I don't recall, but I'm sure I was.

7 Q. Okay. Do you recall anything about that
8 meeting, anything of significance?

9 A. Well, I can -- just as information, that it
10 was -- it was a meeting just to -- everybody trying to
11 determine what -- what the extent of our issue may be
12 and get a plan together on how to mitigate it and how to
13 investigate the source.

14 Q. And at this point, neither DHEC nor the EPA
15 had been alerted; is that correct?

16 A. Well, DHEC was aware that we -- we were
17 investigating a potential source of PCB. Yes. That was
18 done through the communications concerning the cleanup
19 of other sites and areas.

20 Q. Oh, that's right. There was an entry that
21 DHEC was contacted to see if it could be related to the
22 cleanup at Twelve Mile -- I forgot what it's called --
23 Twelve Mile River?

24 A. Yeah.

25 Q. All right. PCB contamination, does that fall

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1 parts per million, it was deemed that it was within our
2 limitations and permit to go ahead and land apply that
3 material.

4 Q. All right. Was any testing done of the
5 influent, at that point in time, to make certain that
6 PCBs weren't still entering the facility?

7 A. Well, there was -- we have an entry here where
8 the influent was tested on January the 8th, and I
9 believe those came back non-detect.

10 Q. So you knew you didn't have a continuous

11

12 A. As best we could tell there, it was not
13 continuous.

14 Q. Was that ultimately determined to be
15 incorrect?

16 A. Not -- well, the influent samples never showed
17 a continuous presence of PCB, and I can't attest that we
18 ever found it in an actual influent. We may have. The
19 grit that comes in with the influent showed that -- you
20 know, through the grit, it was coming in right
21 routinely. Evidently, it had accumulated in the system.
22 And every time it rained, it would push it into the
23 treatment facility.

24 Q. All right. Explain that to me. I mean, what
25 testing reflected that it was coming in routinely?

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1 process the solids? What were our options for disposal
2 of the solids? What were our options for disposal of
3 the filtrate from the processing? Could we continue
4 to -- to land apply? Can we land apply anything less
5 than 50? What are our options for disposal? And my
6 recollection is, and you probably have this, he asked us
7 to present him with a proposal of what we would do.

8 Q. Okay. At this point in time, did you have any
9 involvement with DHEC as well, or was it limited to the
10 EPA?

11 A. DHEC had deferred to EPA on the cleanup
12 efforts. Interaction with DHEC was, at this time,
13 limited to Michael Tempel, who was their
14 enforcement -- criminal enforcement investigator.

15 Q. And who would have actually had these
16 discussions with Mr. Feely?

17 A. At this time, most of these discussions would
18 have been with -- with Charlie Logue.

19 Q. Did ReWa ever -- strike that. Now, at any
20 point, did the EPA ever bring an enforcement action
21 against ReWa?

22 A. No, not that I'm aware of.

23 Q. Was there ever an enforcement action
24 threatened by ReWa -- I mean, by Mr. Feely for the EPA
25 or by the EPA in general?

1 A. Well, I don't know about "threatened." We
2 were told if we did not comply with our plan, that there
3 would be an enforcement action.

4 Q. Was there ever a consent order of any kind
5 entered with the EPA?

6 A. Not for this, no.

7 Q. All right. The same questions with DHEC. Was
8 there ever an enforcement action brought by DHEC against
9 ReWa over the PCB contamination?

10 A. No, sir.

11 Q. Was there ever a consent order entered in with
12 DHEC over the PCB contamination?

13 A. No, sir.

14 Q. So what was done, then, to comply with
15 Mr. Feely's request for you all to present options or
16 present a plan?

17 A. There was work performed, I believe it was
18 with AECOM, to develop a technical proposal of how to
19 process the solids.

20 Q. And did AECOM do that?

21 A. Yes.

22 Q. What form did that take? Is there actually a
23 report prepared?

24 A. I believe there is a report that was drafted
25 and submitted.

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1 A. Basically, what I did was looked at the
2 notification from Patricia Dennis of our contamination,
3 requesting opinion of coverage. And then I read through
4 the correspondence after that.

5 Q. Did you speak with anyone other than your
6 counsel?

7 A. No, I did not.

8 Q. When did ReWa make a decision to turn this
9 matter over to insurance?

10 A. I think a notification was made in September
11 of 2013, I believe.

12 Q. And how was that notification made?

13 A. There was an email that referenced a previous
14 phonecall notifying that we had been -- well, about the
15 contamination incident. I think it referenced a news
16 article in one of the papers, maybe the State paper,
17 requesting an opinion of coverage.

18 Q. And who sent that email?

19 A. Patricia Dennis.

20 Q. And do you recall who it was sent to?

21 A. I do not remember the name. No, I don't.

22 Q. You don't recall the exact date?

23 A. I want to say September the 25th, maybe 2013.

24 Q. And to whom was that sent?

25 A. What I assume to be a representative from the

1 Insurance Reserve Fund. I don't remember the lady's
2 name.

3 Q. Did the request actually make a claim?

4 A. It was not a request for a claim. It was a
5 statement requesting -- well, I took it as it was a
6 request for an opinion of what to do, further action
7 needed.

8 Q. And what response did ReWa get to that?

9 A. I didn't see a documented response, I think,
10 until around October of 2014, giving an opinion of
11 coverage of -- I think it was very limited, based on
12 what we requested. And so I assume there was some back
13 and forth of giving information -- documented
14 information of the claim amounts and that sort of thing.

15 Q. You're not familiar with the back and forth,
16 as you just described it?

17 A. Well, I'm familiar with the amount and the
18 documents that were provided. I didn't see any evidence
19 that there was any --

20 Q. Can you testify here today to any
21 conversations that Patricia Dennis had with the
22 Insurance Reserve Fund?

23 A. I cannot.

24 Q. Are you aware -- let's see the other name you
25 gave me. Are you aware of Cathy Caldwell having any

1 direct communications with the Insurance Reserve Fund or
2 Fred Young?

3 A. I can't say that she did or did not.

4 Q. And how about Brenda Page, same with her?

5 A. Same with her.

6 Q. Ultimately, is it ReWa's position that a claim
7 was made with the Insurance Reserve Fund?

8 A. I would believe, yes, that there was a request
9 made for coverage, which -- I mean, not knowing
10 specifics, I would say that is a claim.

11 Q. And a claim made for coverage under what type
12 of policy?

13 A. Under any policy. I think it asks for is
14 there any coverage under our policies for these events.

15 Q. Did ReWa ever make a request for the Insurance
16 Reserve Fund to provide them defense counsel,
17 representation by a lawyer?

18 A. Not that I'm aware of.

19 Q. And I believe you've already testified that
20 there was no enforcement action that was ever commenced
21 by DHEC or the EPA; is that right?

22 A. No formal enforcement, that's correct.

23 Q. And no actual threat of an enforcement action,
24 correct?

25 A. Not that I'm aware of.

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1 (Defendant's Exhibit No. 7, Dennis/Byers
2 email chain between the dates of 10-24-14
3 through 10-27-14, was marked for
4 identification.)

5 BY MR. LINDEMANN:

6 Q. Let me show you what I've marked as Exhibit
7 Number 7. Are you familiar with an individual with the
8 Insurance Reserve Fund named Rob Byers?

9 A. I am not.

10 Q. You haven't seen his name in any of the
11 communications you've looked through?

12 A. If I did, I don't remember that one
13 specifically.

14 Q. This is an email obviously dated October 27th,
15 2014, from Mr. Byers to Patricia Dennis. It says
16 regarding the PCB claim. First of all, there's a list
17 of three different segments from the Insurance
18 Reserve Fund Building and Casualty policy referencing
19 Durbin Creek, Gilder Creek and Pelham. Was there ever a
20 claim made for Durbin Creek and Gilder Creek?

21 A. Not that I'm aware of.

22 Q. Have any expenses that were incurred at
23 Durbin Creek or Gilder Creek ever claimed by ReWa as
24 part of their claim that's in litigation presently?

25 A. Not that I recall, no.

1 Q. So the three segments that we're dealing with,
2 the three facilities, are definitely Pelham, Lower Reedy
3 and Mauldin Road; is that correct?

4 A. That's correct.

5 Q. All right. A couple of paragraphs under that,
6 it says: "Please provide me and the independent
7 adjuster with an itemized breakdown of what was done at
8 each segment location. As you know, there is only
9 limited coverage for these loss locations that would
10 apply under your policy." Are you aware of any
11 compliance with that request by ReWa?

12 A. It was my understanding -- my thought we
13 did -- we did submit an itemized spreadsheet of all the
14 expenditures.

15 Q. And did that spreadsheet actually break it
16 down between each of the different properties, different
17 facilities?

18 A. I don't know that it did.

19 Q. So whether or not that was actually complied
20 with or not, it's something that you can't testify to
21 here today?

22 A. That's correct.

23 (Defendant's Exhibit No. 8, 10-30-14
24 letter from Insurance Reserve Fund and
25 Patricia Dennis, was marked for

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1 MR. LINDEMANN: But we need a different
2 designee on these topics. And if we need to clarify our
3 areas of inquiry on these insurance issues, we'll be
4 happy to do that as well. And we don't necessarily need
5 to do that today or tomorrow because you'll obviously
6 want to be able to prepare for the appropriate
7 witness --

8 MR. STILWELL: Right.

9 MR. LINDEMANN: -- or make certain you have an
10 appropriate witness. Do we have an understanding that
11 we'll leave this deposition open to deal with those
12 specific issues?

13 MR. STILWELL: Yeah. Not his part of it, but,
14 yeah, those topics.

15 MR. LINDEMANN: Right.

16 MR. STILWELL: Right. And however you want to
17 supplement it. If you even just gave me a supplement by
18 email, I'll probably accept it. I'm not going to say
19 amend the notice and do it. I just want to understand
20 what you want the witness -- there is certain stuff
21 you're talking about like Tommy's letters. Only Tommy
22 can probably testify to that, and I don't propose to put
23 him on.

24 MR. LINDEMANN: Well, they're copied to ReWa
25 people.