



1. Did Quantum know about the Environmental Covenants? Did you have questions on them? Quantum has said they knew about the covenant, they did not have questions, and yet they did not comply. Why did you not comply?

Quantum Loophole (QL) is aware of the Environmental Covenant, and we provided it to our contractors and consultants prior to the commencement of on-site construction work. In compliance with the Environmental Covenant, and in response to the Maryland Department of the Environment's (MDE) May 31, 2023 Information Request Letter,¹ QL has submitted the following reports and plans to MDE:

- Annual On-Site Cap Inspection Forms from 2018 to 2023
- Semi-Annual Water Quality Reports for the North and South Landfills from 2017 to 2022
- Annual Groundwater and Surface Water Monitoring Reports from 2018 to 2022
- Health and Safety Plans for contractors working at the site

Our environmental consultant, Geo-Technology Associates, Inc. (GTA), prepared an Environmental Management Plan for the initial infrastructure phase (Phase I) of our data center development, which was approved by MDE on March 15, 2023. The Environmental Management Plan incorporates the land use restrictions and maintenance requirements contained in the Environmental Covenant and is designed to help ensure compliance with the Environmental Covenant. Working with our consultants and contractors, we believed we had the proper oversight in place to ensure our Phase I development activities were conducted in accordance with the Environmental Covenant. We have since learned that we did not, and we are carefully reviewing what happened with our consultants and contractors. Before any future work is undertaken onsite, we are going to implement new protocols designed to ensure that all onsite workers have proper awareness of the Environmental Covenant and of the activity and use limitations that apply to all onsite work within the Environmental Covenant area. We are engaging with third-party experts to develop these updated protocols so that we avoid any of the miscommunications that the project experienced previously.

2. Where was the breakdown in ensuring all the requirements were met? Do you understand your responsibility now?

¹ MDE's letter is available here:

https://mde.maryland.gov/programs/land/MarylandBrownfieldVCP/SiteAssets/Pages/remediationsites/L-20Eastalco%20LUC%20Inquiry_May.2023.pdf. QL's response is available here:
<https://mde.maryland.gov/programs/land/MarylandBrownfieldVCP/SiteAssets/Pages/remediationsites/GTA%20Information%20response%20Ltr%202023-06-21.pdf>.

QL is currently conducting an investigation into dewatering activities, and we will share our findings once the investigation is concluded. Moving forward, any groundwater encountered during construction activities in the Environmental Covenant area will be containerized and analyzed consistent with the Environmental Covenant.

3. Do folks understand that you flushed the aquifer and directly dumped the most likely most contaminated water in Tuscarora Creek? Do you understand that current groundwater samples are not indicative of the amount of contaminants in the water originally dumped in Tuscarora Creek?

a. Ground-water flushing is a way of decontaminating/cleaning-up an aquifer, but the typical method involves pumping the groundwater out and treating it appropriately, not dumping it untreated into a nearby water body that discharges into the Potomac.

QL disagrees with the assertions in the question. During construction of sewer lines 1A and 1B, dewatering occurred on various dates between April 12, 2023 and May 19, 2023 at locations along the sewer alignment. Dewatering also occurred during construction of the sewage pump station on various dates between May 5, 2023 and May 22, 2023. The sewage pump station is located outside of the Environmental Covenant area. The water removed during dewatering was pumped into sediment filtration devices and allowed to infiltrate back into the ground. No water was directly discharged into Tuscarora Creek.

QL conducted surface water and sediment sampling in the creek as well as sampling of the source water on May 30, June 6, and June 7, with MDE oversight. The samples obtained on May 30, June 6, and June 7 show fluoride levels well below the applicable regulatory limits. In 2022, prior to the start of construction, a groundwater sample was collected at the pump station location and proximate to the sewer installation. Sampling results did not identify fluoride concentrations above the applicable regulatory standard. Therefore, the May and June 2023 sampling results are generally consistent with the 2022 sampling results.

MDE and the Frederick County Health Department have analyzed the May and June sampling results and have concluded that the incident resulted in no adverse health or environmental impacts. MDE concluded on its website:

Based on the analytical results within the creek and creek sediments adverse impacts to public health and the environment were not identified and creek water and sediments did not demonstrate adverse impacts from the illicit discharge. Water samples originating from the source area of the illicit discharge also did not demonstrate impacts from previous Alcoa industrial activities. The groundwater results from the source area did not identify contaminants of concern that would be anticipated to impact surface water quality. Metals indicative of native soils and local geologic conditions were identified in the environmental media tested and do not represent potential contaminant sources of concern.

Similarly, the Frederick County Department of Health issued a Public Health Update on June 15, 2023 stating that “MDE has received and assessed the results of the sampling of Tuscarora Creek, creek sediments and source water that was discharged from the site to the creek and has found no adverse impacts to public health or the environment” and noting that warning signs posted along the creek out of an abundance of caution could be removed.²

At the Frederick County Council meeting held on June 27, 2023 the Frederick County Health Department again concurred with MDE’s conclusions. Dr. Barbara Brookmyer of the Health Department stated that the primary contaminant of concern in groundwater at the site is fluoride and the results of the May 30 sampling did not show fluoride concentrations to be out of the ordinary, and Barry Glotfelty, the Director of Environmental Health Services at the Health Department, stated “my discussion with MDE is this was not probably a threat during the incident.”

4. What plans do you have to keep this from happening again? How do you plan to address this as you sell parcels of land that continue to develop the site?

A revised Environmental Management Plan approved by MDE will be in place for the site, and it will include MDE-approved procedures for dewatering and groundwater management going forward. A second full-time environmental consultant has also been hired to be on site with our contractors to provide redundancy and additional oversight. All purchase agreements and leases will require future owners and tenants to comply with the Environmental Covenant, the Site Management Plan (which is included with the Environmental Covenant), and all applicable laws.

5. What are your plans to develop the site around the existing landfills and contaminated soil areas?

The Phase I utilities and roadways do not traverse the existing and delineated waste disposal sites or closed industrial landfills. Some of the utility and roadway installations are located within the Environmental Covenant and/or Soil Management Area. All such site development will be in compliance with the Environmental Covenant as well as the revised Environmental Management Plan as approved by MDE.

6. How can the community be assured that there will be no further potential for mobilization of contaminants?

We have prepared a Stormwater Pollution Prevention Plan for the site and are preparing a revised Environmental Management Plan to be approved by MDE. Both plans will be in place prior to restarting construction. Any groundwater encountered within the Environmental Covenant area during future Phase I utility installation activities will be containerized and analyzed consistent with the Environmental Covenant. A second full-time, on-site environmental consultant has also been hired to provide redundancy

² The Frederick County Health Department Public Health Update dated June 15, 2023 is available here: <https://health.frederickcountymd.gov/DocumentCenter/View/8377/20230615-Information-from-MDE>

during construction activities. QL and its contractors will continue to comply with the Environmental Covenant.

7. Have you asked neighbors of the facility in Adamstown to sign any NDA's?

As a matter of policy, we do not discuss NDAs.

8. Will you provide monthly/weekly ariel photographs of the area under the covenant in a public/on-line venue to help build public confidence that all requirements are being followed?

Yes, we can share monthly aerial photographs of the Environmental Covenant area with the public during our Phase I utility and roadway construction activities.

9. Will you conduct regular (monthly) meetings to explain progress with site development and how it complies with the Environmental Covenant?

QL has always been willing to meet with community members and community organizations to discuss the site development. We are willing to conduct regular meetings and will discuss an appropriate timeframe.

10. Do you have some sort of bond to ensure cleanup of if another release occurs? What kind of financial responsibility or instrument do you have that will ensure any necessary cleanup?

QL has finance assurance mechanisms in place to facilitate development of the project, including to address environmental response, cleanup, and remediation costs. With respect to Frederick County, QL has provided the County with financial assurance in the form of a \$250,000.00 letter of credit for environmental matters, mostly surrounding the performance of existing well monitoring.

11. What the current status of negotiation of fines MDE will assess for the month-long illegal discharge?

QL disagrees with the assumption that there was a “month-long illegal discharge.” While dewatering occurred over the course of about a month between mid-April and mid-May, dewatering water was not entering the creek continuously during this time. To address the fact that dewatering water may have entered the creek, QL is working to implement all actions and recommendations identified by MDE in relation to the incident.

12. Would you voluntarily pay for drinking water analysis that addresses the contaminants of concern for all local citizens with drinking water or agricultural wells within a 1 mile radius of the site on a regular basis?

Both MDE and the Frederick County Health Department have assessed the sampling results at Tuscarora Creek and have concluded that the incident resulted in no adverse health or environmental impacts. MDE has posted the sampling results on its website: <https://mde.maryland.gov/programs/land/marylandbrownfieldvcp/pages/remediationsites.aspx>

13. You have claimed that you “voluntarily” stopped further work at the QL site. You know this is not accurate -- you were *forced* by the MDE to stop further work. How do you expect your relations with the public to improve if we can't count on you to be honest with us?

QL was not forced by MDE to stop work at the site. On May 22, MDE requested that dewatering associated with sewer installation cease until water samples were obtained. In response to this request, QL immediately instructed its contractor at the site to cease dewatering. QL also directed GTA to conduct surface water and sediment sampling in Tuscarora Creek and to immediately provide the results to MDE. Prior to receiving MDE's May 25 letter withdrawing approval of the Environmental Management Plan, QL directed its contractors to stop construction activity at the site. MDE did indicate on May 31 that all construction activity at the site should cease, but this was after QL had already stopped construction voluntarily.

14. Why did it take multiple MDE citations and finally a citizen complaint before you stopped the illegal discharges into Tuscarora Creek? With this history of sorry behavior, do we have any reason to think you won't flout the law again?

QL disagrees with the accusation that it flouted the law. QL took responsible and reasonable precautions during construction activities, including engaging an experienced contractor with substantial brownfield experience as well as a Maryland-based environmental consultant with significant expertise at the site. QL has conducted extensive surface water and sediment sampling under MDE oversight to demonstrate that there were no adverse impacts to Tuscarora Creek. QL ceased dewatering on May 22, 2023 and directed its contractors to halt all construction activities on May 24, 2023. We are analyzing what happened to determine the best means and methods going forward to minimize any chance of a similar incident. An MDE-approved revised Environmental Management Plan will be in place at the site prior to restarting construction, and QL and its contractors will continue to abide by the Environmental Covenant and all applicable laws.