



West (Indies)!

Two projects in Caribbean get started in Second Quarter.

Over the course of only a few weeks, SCE bid upon, was awarded, and has mobilized on an asbestos and demolition effort in the Cayman Islands. The fast-track project features the environmental abatement and demolition of a portion of the John Gray High School in George Town, Grand Cayman, as the first phase of a project with a critical construction deadline later in the year. The bidding process was unique. After responding to a Request For Qualifications issued on behalf of the Government of Cayman Islands by their U.S. consultant, SCE was invited to a reverse auction online bidding process whereby a select group of contractors was allowed to bid in a live auction that saw the project contract price progressively decline. In the end, SCE was awarded the project. Mobilization almost immediately followed the award.



CAYMAN ISLANDS
GOVERNMENT

The project is SCE's first venture on this Caribbean island. Work must be completed in July of 2017 in time for construction crews to build new structures that will be featured in a national event in the fall.

Meanwhile, in nearby Cuba, SCE's crews have completed the first phase of the abatement of hazardous materials of an old radar facility at the Air Route Surveillance Site located at Guantanamo Bay Military Base. Large scale demolition work will commence in mid-July and run through the end of August.



SCE Expands International Presence.

Caribbean Projects Are Latest in a Series.

With current projects in both Cuba and the Cayman Islands, SCE expands its presence in the international market. Over the course of many years, the company has been involved in major remediation efforts in the Caribbean and Africa.

✦ At Cable Beach in New Providence, Bahamas, SCE was contracted to perform all field work associated with the cleanup of a 500,000 gallon fuel oil release that occurred on the future home of the \$3.5 Billion Baha Mar MegaResort. At the time, it was the largest environmental cleanup ever to be completed in the Bahamas.

SCE was responsible for the excavation, handling, stabilization and re-location of 100,000+ CY of material impacted by the release. SCE constructed large scale LLDPE & HDPE cells for storage and ex-situ treatment, installed 8,370 LF of piping for the installation of an ozone / peroxide injection system, built two 100,000 gallon holding tanks, and performed clearing and grubbing of 6 acres during Phase 1 of this project. SCE's interaction with the various Consultants, the Bahamian Department of Health & Environmental Safety (DHS), the Government run Hotel Corporation of the Bahamas and the Bahamas Environment Science and Technology (BEST) on a daily basis was critical.

✦ In Togo, West Africa, SCE was awarded a contract for the decontamination and tank cleaning of 34 above ground storage tanks ranging in size from 25,000 to 500,000 USG, and the fluid elimination of over 462,000 gallons of product. This brownfield remediation was the first step in development, construction and operation of a 100 MW thermal power plant in Lome'. This Project represented the first substantial foreign investment in Togo in over a decade and is one of the most significant investments in the West African power sector in over twenty years.

Over 74 confined space entries were made by the SCE crew and over 3,175 man-hours were worked without incident. SCE provided tank cleaning of approximately 10,000 bbls of sludge. The sludge removal was done by using roof-mounted circulation tools and cutter stock to facilitate the dissolution of the recoverable solids and oil. Over 98% of the sludge volume was salvaged as recoverable hydrocarbon. The tanks were washed and degassed, leaving the tanks clean and vapor free. In 2013, the



project was recognized as one of the Top 40 public-private partnerships by the International Finance Corporation and Infrastructure Journal.

✦ In the US Virgin Islands, SCE was awarded a series of contracts for the assessment, tank cleaning, abatement, decontamination and demolition at the ESSO facility at the Henry E. Rholsen International Airport, St. Croix. SCE completed asbestos abatement, tank cleaning and demolition of 25 above ground storage tanks at the abandoned facility. The scope of work also included tank shearing, foundation removal and scrap transfer back to the US.

Tanks were accessed via cold-cutting techniques. A mobile sludge removal unit was placed inside of the vessels to eliminate the need for personnel entry. The main unit extracted sludge, performed sludge separation, and gross decontaminated the tanks. A three phase centrifuge further separated removed sludge after the main unit process. The use of this system reduced disposal material by a factor of ten. Previously disposed hydrocarbons were returned to the customer. Over 60 confined space entries were made by the SCE crew and over 3,930 man-hours were worked without incident.

★ In Ceiba, Puerto Rico, SCE crews performed remedial actions at Solid Waste Management Unit (SWMU) 9 at the United States Navy's NAPR at Roosevelt Roads Naval Station. As part of the Navy's Base Realignment and Closure (BRAC) Program, this property is to be converted into a civilian airport. The scope of work included the cleaning and removal of two 50,000 gallon and four 250,000 gallon pre-stressed concrete petroleum storage tanks along with three fiberglass petroleum underground storage tanks. In a first for the company, safety dictated an onsite beekeeper to minimize crew exposure to Africanized honey bees.

★ In Barbados, SCE crews performed remediation at major industrial facility. SCE utilized a Piranha dredge system to clean large vessels. The system floated on top of the product and pumped the emulsified

product out to a holding tank. Cutter agents were injected via a series of injection points into the sludge to allow penetration and the breakup of the sludge. The recirculation of the heated cutting agent was utilized during the cleaning process. A centrifuge was utilized to process the sludge and provide hydrocarbon recovery.



SCE Begins Fuel Farm Update for Port Authority at JFK Airport.

Project is the latest in series of contracts.

Throughout the second quarter, SCE crews worked under a Two Million Dollar contract with the Port Authority of New York and New Jersey calling for Remediation System Upgrades to the Bulk Fuel Farm and Satellite Fuel Farm at John F. Kennedy International Airport in Queens, NY. The work under the contract includes the replacement or modification of the existing dual-phase extraction system and related piping; modifications to well manifolds; and modifications to mechanical and electrical equipment at the facility. Prior to working on the Fuel Farm Upgrade, SCE crews successfully completed the abatement of asbestos-containing conduit encased in concrete at the airport

For several years prior to this contract, SCE served as the Prime Contractor for the operation and maintenance of the same bulk fuel farm and satellite fuel farm. That multi-year contract provided remediation services for jet fuel releases at both fuel farms as well as maintenance of pumping equipment at the site.

Performed at major transportation hubs and public facilities representing some of the highest profile properties in the world, Port Authority contracts require the utmost in safety and security compliance within secure operational facilities.

Albany Project Continues through 2nd Quarter.

Project at State Office complex approaches 80%.

In Albany, NY, work continued in the second quarter on a major asbestos abatement effort at the Harriman Campus of State Office Buildings. The multi-million dollar project calls for Asbestos Hazard Abatement; Universal Waste Removal; Selective Interior Demolition; and Selective Exterior Demolition of Building 4 and a pedestrian bridge between Buildings 4 and 5 of the campus. With a crews working two shifts and forty workers per shift, SCE is approximately 80% complete. The project is slated for completion in mid-2017.



Denver Project Nears Completion.

Federal Center to complete in third quarter.

SCE's Downing Reservoir project located at the Denver Federal Center (DFC) in Denver, CO drew near completion in the second quarter of 2017. The man-made reservoir was used for disposal of industrial wastewater and wastewater treatment plant sludge from ammunition manufacturing at the facility during World War II. SCE's tasks included placement and compaction of backfill, granular bedding and drain gravel, ballast material and structural fill, and the installation of permanent maintenance and access roads, riprap outfall channels, and a collector pipe system. SCE crews worked over 23,000 accident-free hours under the supervision on Bill Stankevitch.



Preparations Continue for NYC Contract.

Disaster Recovery requires extensive pre-planning.

Preparations continue for SCE's upcoming three-year contract with the New York City Economic Development Corporation for the provision of Disaster Recovery Services at NYCEDC's numerous properties throughout the five boroughs. The contract was awarded during the first quarter of the year and services include emergency power, environmental services, preparedness planning, fire damage cleanup, mold remediation, document restoration, contents restoration, drying and dehumidification, air duct cleaning and restoration, electronic restoration, emergency boilers, water pump out services and fuel supply.

In anticipation of service calls that require rapid response and deployment, SCE has designated a Mission Operations Team with the stated purpose of preparing contingencies for the kinds of emergencies anticipated under the contract. The team is tasked with identifying the command chain, communications, resources, vendors, subcontractors, and experts necessary for a wide range of potential responses. Each member of the team carries a play book summarizing the response. Each scenario is played out for variations in weather, time, season, and severity.

“Providing emergency response to the largest city in the United States is a daunting challenge,” admits Jody Cordaro, president of SCE, “but our teams have tackled some of the most difficult assignments in disaster recovery and response as well as environmental remediation and we are ready for this challenge as well.”

Graham Company Joins the SCE Team.

Insurance experts bring wealth of knowledge.

At the beginning of the second quarter, SCE established a new insurance partnership with the Graham Company of Philadelphia, PA. The agency is an industry-leading expert in the field of environmental remediation insurance and provides invaluable consulting, monitoring, and training services in the complex environmental arena. Through its association with Graham, SCE is now insured by industry giants Lloyds of London and Zurich America.

Key to the underwriting process was an exhaustive review of SCE's safety practices as well as the company's excellent loss history experience as evidenced by an exceptional EMR of only .730. “If we are to maintain the safety culture that has permeated the company since its inception,” comments Vice President of Operations, Nate Butler, “we need to continually seek the counsel of the finest consultants at our disposal - for us, that is the Graham Company.”

Contractor Transport Expands-Again.

Young company is a dominant player in Marcelus region.

SCE's sister company, Contractor Transport, has become a dominant player in the Appalachian Basin's shale industry. Facilities in Washington, PA and Fairmont, WV, opened during the first quarter of 2017, became fully operational with a fleet of vehicles operating 24/7 for some of the largest gas production companies in the world. Contractor Transport now enjoys Master Service Agreements (MSAs) with several industry giants and additional opportunities are in process. Contractor Transport specializes in the supply and removal of fresh and production water at various well sites in the region.



Drawing on the experience of SCE in the world of safety management, Contractor Transport operates at the cutting edge of technology and with a safety program that is mature well beyond the young company's age. Policies that are the hallmark of SCE's safety culture have transitioned to Contractor Transport as well. Loss Prevention Observations, Near Loss Incidents, and behavior-based safety systems are all part of the new transportation company. With regularity, the company satisfies the client-specific requirements of the industry's vetting companies, ISNet and Avetta.

Also carried over from SCE's safety culture is the Stop Work Policy which gives any employee within Contractor Transport the unquestioned authority to stop work for safety concerns. Drivers and technicians are trained to recognize unsafe conditions whether they are mechanical, environmental, or employee-related, and empowered to immediately stop the operation of the vehicle at risk. As at SCE, employees exercising this authority are commended for their attentiveness and responsiveness.

Technology plays a key role as well. GPS tracking, forward and rearward facing cameras, electronic logs, and real-time maintenance tracking are some of the innovations being implemented in the growing operation. On-board sensors monitor vehicle operation, abrupt driving patterns, and deviations from approved routes. Outside consultants round out the effort with highly respected training programs, fleet maintenance, and regulatory compliance.

With high client demand, and access to capital markets capable of supplying the requisite rolling stock, Contractor Transport's challenge is to find and retain a reliable supply of personnel both in the administrative office and in the driver's seat. To assure that only properly trained and experienced drivers pilot the fleet, the company has retained professional trainers, worked with local driving schools, and has obtained a mock well pad site set up in the Fairmont, WV yard as would be found at well sites to assure that drivers have adequate opportunity to master the requisite skills. The effort has paid dividends. In only five months, the company has grown from a handful to nearly 100 employees and there are no plans to cease the recruiting effort. "Our clients continue to press us for additional vehicles," cites Vice President of Operations, Chris Lafferty, "and we will do everything in our power to produce the best fleet, the safest drivers, and the best support system in the industry."

SCE Donates Drone to Local Police.

SWAT Team sees great potential.

SCE recently donated a DJI Phantom Drone to the Lackawanna County, Pennsylvania, S.W.A.T. tactical response team to assist in the management of emergency situations.

“There’s so many different pieces of equipment that we have that are electronic that give us different views, robots and the drone now. It’s just a different tool for us to have,” Lackawanna County SWAT team commander Jim Decker said. Decker further identified hostage situations, and other incidents as potential scenarios for the drone. With the help of

the drone’s camera, officers can now get a first look at potentially dangerous situations. Archbald Police Chief Tim Trently envisions a search and rescue role as well. “If we had somebody that was lost in the woods we’d be able to send this out and be able to send it out a mile or so to get a ‘bird’s eye view.’”

The donation is the latest in a series of donations made by SCE to local police enforcement. Prior donations included iPads for police vehicles and Taser stun guns for police personnel.

SCE Cares Has Busy Quarter.

New programs added.

SCE’s community outreach program, SCE Cares, had a busy second quarter. Continuing a long tradition with the Seven Loaves kitchen in Tunkhannock, PA, SCE volunteers made three monthly appearances at the center and prepared fresh meals for the less fortunate of the community. Friends and families of SCE employees joined in the effort as well. In June, regular attendees Mariah Wheeler and Lauren Delguercio were joined by Jody Cordaro’s wife, Trudy, and their daughter Isabella.

In April, SCE sponsored the First Annual Equines For Freedom (EFF) Sporting Clays Tournament at Rock Mountain Sporting Clays in Springville, PA. As reflected on its website at <http://equinesforfreedom.org>, Equines for Freedom (EFF) is a nonprofit organization that treats active and former military personnel who are experiencing symptoms of Post Traumatic Stress Disorder (PTSD), no matter the source of the trauma. EFF uses one of the most effective treatments available; Eye Movement Desensitization and Reprocessing (EMDR) which offers clients a nontraditional approach to therapy. This therapy combines a licensed mental health professional, a certified equine specialist, and a therapy horse to create a research-based treatment model which strives to resolve emotional difficulties caused by disturbing, difficult, or frightening life experiences. The horse is an integral part of treatment because horses are prey animals and therefore are extremely alert and sensitive to the emotions of those around them. Clients learn to identify their own emotional state by observing



Accountability. Integrity. Customer Focus. Safety. Quality. Optimism.

the horse’s reactions. The horses also help clients stay grounded as they process past traumas.

Also in the second quarter, SCE was a corporate sponsor of the The Lou Ruspi Jr. Foundation Breakfast of Hope. The LRJ Foundation (<https://www.lrfoundation.com/>) is a private, non-profit organization whose mission is to bring suicide prevention and mental health awareness to schools, the community and other entities through educational and interactive presentations and resources, thus saving lives and bringing hope to those affected. Since 2012, LRJ Foundation has provided educational programming to over 14,000 high school & middle school students, 1,500 teachers, and nearly 700 college students throughout Northeastern Pennsylvania & Georgia. Each of these sessions has been provided at no cost to the organization. The programs provide educators and students the information they need to spot warning signs, engage in preventative measures, and offer treatment options.

Project Updates.

★ SCE crews recently completed the abatement and clean up work at the former Good Shepherd church in Philadelphia, PA. The building was home to six non-traditional religious denominations as well as a preschool, an after school program and a daycare center. Demolition activities will continue through late summer.

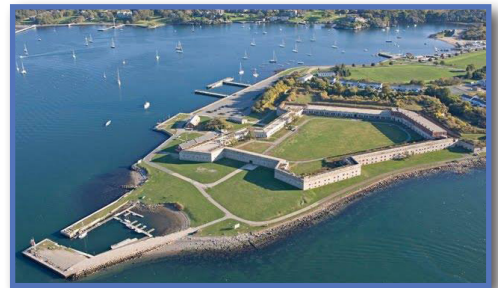


★ SCE's crews are currently working on a large-scale lead based paint abatement project at a Port Authority Trans-Hudson (PATH) Train Platform in New York. This work is being completed under SCE's existing multi-year Port Authority of NY and NJ Contract. PATH is a rapid transit railroad serving Newark, Harrison, Hoboken, and Jersey City in metropolitan northern New Jersey and Manhattan in New York City.

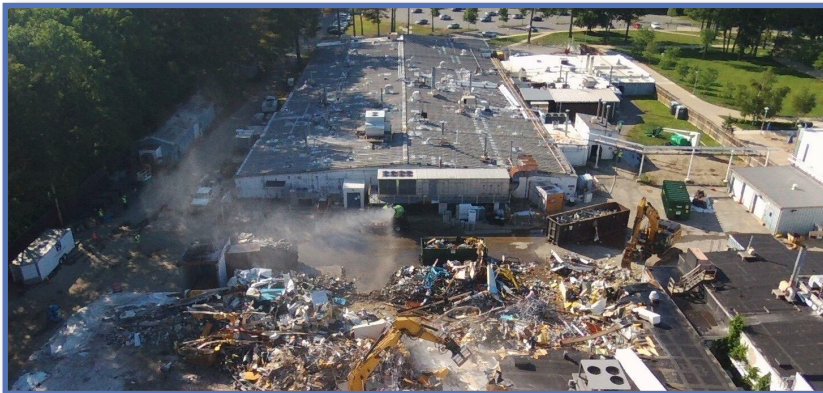


The PATH contract is one of a number of similar contracts between SCE and the Port Authority of New York and New Jersey. SCE enjoys similar "on call" contracts with the Authority's World Trade Center, and the Authority's Marine Terminals for hazardous and universal waste abatement.

★ SCE crews have mobilized and begun abatement and restoration work at a Naval Family Housing complex at Fort Adams in Newport, RI. Fort Adams is a former United States Army post in Newport, Rhode Island that was established on July 4, 1799 as a First System coastal fortification, named for President John Adams who was in office at the time. Work will continue through summer 2017.



★ Abatement and demolition work continues at SCE's project in Bedford, MA. This asbestos abatement, decommissioning and demolition project involves a 56,800 square feet (SF) building including a manufacturing Quality Control (QC) laboratory and ultrafiltration casting operations, as well as another 24,500 SF production process building containing mixing, casting, manufacturing, dryers, gown rooms, and offices. Work will continue through the third quarter of 2017. [Pic 9 an dPic 2]



★ In Delaware, SCE crews remediated lead contamination at a warehouse utilized as a used car battery staging area. As part of the facility's ongoing operation, used car batteries arrived at the warehouse via truck, remained at the facility for approximately one week, and then were staged for eventual disposal. As a result of the handling and movement of the batteries, lead dust contaminated the walls, floor, and loading dock hydraulic lifts.

During the first phase of the bidding process, SCE crews decontaminated and scrubbed a one hundred square foot area in five stages, taking samples to empirically measure the cleanup effort after each stage. Once the parties agreed upon the level of cleaning and remediation necessary to achieve acceptable cleanliness standards, the project expanded to include the remainder of the 30,000 sq ft warehouse, as well as the hydraulic lifts located at each of eight loading docks, and twelve loading dock doors. A five man crew, donning level C PPE, worked on the project for eight days. The facility was carefully monitored for cleanliness and met all required criteria when remediation was complete.

Last Thoughts ...



With the second quarter of the year come graduations ... and graduation speeches. Most of those speeches are OK, some are lame, and a select few are extraordinary. I often listen to these speeches and think that I would not start with the usual “Your generation is the future ... the world is your oyster.” Mine would go something like this:

Welcome to the real world. You will not be getting a participation award just for showing up. On behalf of my generation, we apologize for ever letting you think that anything less than hard work and dedication are the road to success. And by the way, technology has not always served you well. Success is not based on the number of Facebook likes you acquire; doing “real good” requires more than clicking “Like” on every social webpage; and real human interaction is best done in person and in expressions longer than 140 characters.

So, class of 2017, here is where your generation needs to make a difference: reestablish the human connection; redefine success.

For too long, success has been measured in economic terms with conspicuous consumption leading the pack. You need a different paradigm. Surely, strive to be financially comfortable. But I dare you to do it with a social conscience. I dare you to be as concerned with your contributions to the community as you will be with those to your social media facade. I dare you to help others with the same vigor that you’ll muster for your next promotion. And I triple dog dare you to measure your success not only by your bank account but also by the number of times you made a difference in someone’s life; a difference in a life that needed you.

I similarly challenge myself daily, and at my company we try to meet these lofty goals. We do our best to be good corporate citizens and our employees reach out in many ways to help our community throughout the year. Your generation needs to take our efforts and multiply them ten-fold. We’ll keep doing our part, but we’ll need your help to raise this bar.

So, class of 2017, welcome to the team. Welcome to the real world.

Jody Cordaro, President

SCE Environmental Group, Inc.
1380 Mt. Cobb Road Jefferson Township, PA 18436
(570)383-4151 (570)687-9524 (fax)

Join us online.



www.SCEnv.com



[Linked in.](#)