



State of Ohio Environmental Protection Agency

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May 30, 2008

Mr. Steven Lonneman, General Manager,
Vickery Environmental, Inc.
3956 State Route 412
Vickery, Ohio 43464

**RE: Vickery Environmental, Inc.
OHD 020 273 819
Financial Assurance**

NOV and RTC in same letter

Dear Mr. Lonneman:

On May 2, 2008, the Ohio Environmental Protection Agency (Ohio EPA) conducted a financial record review for the Vickery Environmental Inc. (VEI) facility. I evaluated the facility for compliance with Ohio's financial assurance for closure/post-closure care and liability requirements as set forth in Ohio Administrative Code (OAC) rules 3745-55-42 through 3745-55-47 and Permit Conditions B. 41, B.42, B.45, B.46 and B.47. Mr. Chuck Lowe, of Ohio EPA's Division of Drinking and Groundwater, evaluated the Underground Injection Control portion of the cost estimate [OAC rules 3745-34-36(D)(1)(C) and 3745-34-62 and Parts I(i) (a) and (b)].

To demonstrate compliance with financial assurance requirements for closure and post-closure care, the VEI facility uses an insurance mechanism with the National Guaranty Insurance Company of Vermont (Policy number CPCH92-0003). The face amount of the closure/post-closure insurance policy is \$6,636,263.67. The closure amount on the certificate of insurance (certificate) and the closure cost estimate is \$3,347,155.32 and the post closure amount on the certificate and the post-closure cost estimate is \$3,289,108.35. The VEI Policy period is from January 7, 2008 through January 7, 2009.

To demonstrate compliance with third party liability requirements, the facility uses an insurance mechanism with the American International Specialty Lines Insurance Company (Policy No. PLS8194904000). The effective date of the policy is January 1, 2008.

On January 2, 2008, VEI submitted a 2008 post-closure care cost estimate, which involved a decrease from \$3,356,042.00 to \$3,289,108.35. During a conversation with VEI staff, I was informed that VEI had already decreased its insurance policy to reflect the decrease in its post-closure care estimate, without prior approval of the director of Ohio EPA.

On April 18, 2008, VEI submitted a self-implementing Class 1 permit modification request to Ohio EPA. The modification included a financial assurance certificate of insurance for closure/post-closure care and a hazardous waste facility certificate of liability insurance.

Ted Strickland, Governor
Lee Fisher, Lieutenant Governor
Chris Korleski, Director

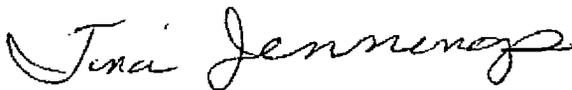
Upon review of the above information, VEI is in violation of the following:

OAC rule 3745-55-45 (E)(9) – VEI failed to obtain written approval of the Director prior to decreasing the face amount of the insurance policy. Whenever the current post-closure cost estimate decreases, the face amount may be reduced to the amount of the current post-closure cost estimate following written approval by the Director.

Since VEI submitted a self-implementing Class 1 permit modification regarding the financial assurance certificate of insurance and Ohio EPA did not reject it, no further action is required and **Ohio EPA considers this violation to be abated**. As we have discussed, if VEI wishes to decrease the face amount of its post-closure insurance policy due to a decrease in its post-closure care estimate, please remember that VEI first must obtain written approval of the Director of Ohio EPA. Please submit to me the current closure/post-closure care and liability insurance policies for the facility. Submit these policies to me within thirty (30) days of receipt of this letter.

If you have any questions, or need further clarification of any matter mentioned in this letter, please do not hesitate to call me at (614) 644-2951. I will be happy to assist you in any way possible. If you have any questions or comments regarding the UIC wells cost estimate you may contact Chuck Lowe with Ohio EPA's UIC Well Program at (614) 644-2752.

Sincerely,



Tina Jennings
Compliance Assurance Section
Division of Hazardous Waste Management

TJJ/ms

cc: Kristina Durnell, RIS, DHWM
Mary Ann Miller, DHWM
Charles Lowe, DDAGW