

Interoffice Memo

To: Isaac Wilders, Engineering, Remediation & Authorizations Section
Division of Materials & Waste Management

From: Isaac Wilders, DMWM-CO

Date: ~~July 27, 2011~~ September 27, 2011

Re: Memo to File:
Brandon Partners, Former North East Chemical Corp OHD 980681571 *OW*
Financial Assurance

On September 21, 2010, I completed a review of the financial assurance documentation on file for the Former North East Chemical Corporation (NECC) facility located at 3301 Monroe Avenue, Cleveland, Ohio. I evaluated the facility for compliance with Ohio Administrative Code (OAC) rules 3745-66-42, 3745-66-43 and 3745-66-47. These rules pertain to the cost estimates and financial assurance requirements for facility closure and the liability coverage requirements for both sudden and non-sudden accidental occurrences.

As the owner of the facility previously operated by NECC, Brandon Partners is required to close the facility in accordance with OAC rules 3745-66-11 through 3745-66-20. Ohio EPA received an amended closure plan on October 29, 2008. On May 29, 2009 and March 1, 2010 Ohio EPA received revisions to the amended plan. The plan was approved with modifications on May 28, 2011. The modified plan requires that Brandon Partners submit a closure cost estimate and financial assurance within 30 days of the plans approval.

Since the last financial record review on May 10, 2010, Ohio EPA has received the following financial assurance related information:

- A general business liability insurance policy No.45 SBM IO6525 with Sentinel Insurance Company, with an effective date of 9/22/2010; and
- A quotation by GETCO, Inc. for services to complete five tasks associated with the RCRA closure. The proposal is for \$274,915.00.

Until a detailed closure cost estimate and new financial assurance is received, Brandon Partners will remain in violation of the following rules:

OAC Rule 3745-66-42

Brandon Partners has failed to submit a revised closure cost estimate to reflect the remaining closure activities to be conducted. The quotation by GETCO, Inc. is for preliminary work and would need to be expanded and have contingency costs added to form the basis for a closure cost estimate;

OAC Rule 3745-66-43

Brandon Partners has failed to provide financial assurance at least equal to the amount of the revised closure cost estimate; and

OAC Rule 3745-66-47

Brandon Partners has failed to provide liability coverage until such time that closure is certified at the facility. Policy No.45 SBM IO6525 is a general business liability policy not an environmental liability policy.

Isaac B. Wilder

IW/jms

cc: Frank Zingales, NEDO, DMWM
Kelly Smith, CAS/EU, DMWM
Brian Ball, AGO