



State of Ohio Environmental Protection Agency

FA  
067-572

STREET ADDRESS:

Lazarus Government Center  
50 W. Town St., Suite 700  
Columbus, Ohio 43215

TELE: (614) 644-3020 FAX: (614) 644-3184  
www.epa.state.oh.us

MAILING ADDRESS:

P.O. Box 1049  
Columbus, OH 43216-1049

June 2, 2010

Mr. Yogi Chokshi, Vice President  
Reserve Environmental Services, Inc.  
4633 Middle Road  
Ashtabula, Ohio 44004

**Re: Reserve Environmental Services, Inc. OHD 980 793 384  
Financial Assurance  
Notice of Violation**

Dear Mr. Chockshi:

On May 26, 2010, I completed a review of the financial assurance documentation on file for the Reserve Environmental Services, Inc. (RES), Ashtabula, Ohio facility referenced above. I evaluated the facility for compliance with financial assurance and liability requirements set forth in the Ohio Administrative Code (OAC) rules 3745-55-42 through 3745-55-47.

I also evaluated the facility for compliance with the financial assurance related requirements set forth in the October 28, 2003 Modified Consent Order (Consent Order), State of Ohio v. Reserve Environmental Services, Inc., Case No. 93-CV-563.

To demonstrate compliance with the financial assurance requirements for closure and post-closure care for the facility RES has submitted the following:

- Updated closure (\$2,927,780.00) post-closure (\$3,521,350.00) and corrective actions (\$3,808,720.00) cost estimates dated March 1, 2010;
- Letter of Credit (LOC) No. S91/90343 issued by Key Bank in the amount of \$852,000.00; and
- An ACORD Certificate of Liability Insurance which included Policy No. EG7549233 issued by American International Group for \$4,000,000.00 per occurrence and \$8,000,000.00 annual aggregate dated December 6, 2007.

Paragraph 40 of the modified consent order requires that by March 1st of each year that RES will submit to Ohio EPA documentation of financial responsibility or, in the alternative, if RES is unable to obtain financial assurance, RES will update their inability to pay documentation. Documentation for 2009 was due by March 1, 2010. As of this date, RES

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

has failed to submit documentation of financial responsibility or to update their inability to pay documentation. Therefore, RES remains in violation of OAC rules ~~3745-55-43 and 3745-55-45~~ and paragraph 40 of the October 28, 2003 Modified Consent Order.

OAC rule 3745-55-47 requires that third-party liability coverage be evidenced by a Hazardous Waste Facility Liability Endorsement or a Certificate of Liability Insurance. The wording for these documents is in OAC 3745-55-51(I) and (J). In a July 29, 2008 letter, RES stated that it was unable to obtain a Hazardous Waste Facility Liability Endorsement or a Certificate of Liability Insurance from American International Group for liability Policy No. EG7549233.

Paragraph 41 of the modified consent order requires that by March 1st of each year that RES will submit to Ohio EPA documentation of liability coverage or, in the alternative, if RES is unable to obtain liability coverage RES will update their inability to pay documentation. Documentation for 2009 was due by March 1, 2010. As of this date, RES has failed to submit documentation of liability coverage or to update their inability to pay documentation. Therefore, RES remains in violation of ~~OAC rule 3745-55-47~~ and ~~paragraph 41~~ of the ~~October 28, 2003 Modified Consent Order~~.

RES must submit documentation of financial assurance and third-party liability coverage or update their inability to pay documentation as soon as possible.

If you have any questions, or need further clarification of any matter mentioned in this letter, please do not hesitate to contact me at (614) 644-3067 or [isaac.wilder@epa.state.oh.us](mailto:isaac.wilder@epa.state.oh.us).

Sincerely,



Isaac B. Wilder  
Compliance Assurance Section  
Division of Hazardous Waste Management

ec: Kristina, Durnell, RIS, DHWM  
Tim Kern, AGO, EES  
Frank Zingales, NEDO, DHWM

**Notice:** Ohio EPA's failure to list specific deficiencies or violations in this letter does not relieve your company from having to comply with applicable regulations.