



**Environmental  
Protection Agency**

John R. Kasich, Governor

Glenn Taylor, Lt. Governor

Scott J. Gilley, Director

August 10, 2012

Mr. Donald R. Koski  
2012 Renko Rd.  
Ashtabula Ohio 44004

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 Record Review  
Notice of Violation**

Dear Mr. Koski and Mr. Chokshi:

On August 1, 2012, 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 3745-66-42 through 3745-66-47.

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, post-closure and corrective measures for the facility RES has submitted the following:

- The most recent cost estimates for closure, post-closure and corrective actions on file were dated March 5, 2012:
  - Site A (Old) Pond 1, closure \$319,590, post-closure \$1,003,580;
  - Site A (Old), Lagoons 3-7, closure \$1,533,260, post-closure \$768,000;
  - Site C, closure \$1,002,330, post-closure \$1,293,770; and
  - Site E, closure \$72,600, post-closure \$108,000.

Ohio EPA has the following financial assurance documentation on file for RES:

- Letter of Credit (LOC) No. S91/90343 issued by Key Bank in the amount of \$852,000 with a current expiration date of September 1, 2013;
- An ACORD Certificate of Liability Insurance which included Policy No. EG7549233 issued by American International Group for \$4,000,000 per occurrence and \$8,000,000 annual aggregate with an effective date of May 26, 2007 and an expiration date of May 26, 2008;

- On March 23, 2012, RES submitted a document titled "Cost Summary for Closure, Post-Closure and Corrective Actions Requirements" dated March 5, 2012: and
- On March 23, 2012, RES also submitted a Financial Statement for 2009 and 2010.

**As a result of the review of the financial assurance documentation on file, Ohio EPA finds that RES is in violation of the following rules and in contempt of the following requirements of the October 28, 2003 modified consent order:**

- **OAC rules 3745-66-42(B) and 3745-66-44(B) and paragraphs 14, 19, 27, and 35 of the October 28, 2003 Consent Order.** Reserve must update the closure and post closure cost estimates for inflation and submit them annually. The cover letter for your March 23, 2012 submittal states that the cost estimates were updated for inflation but the numbers do not reflect this. These cost estimate numbers are the same as those in your submittal of April 14, 2011.
- **OAC rules 3745-66-43 and 3745-66-45 and paragraphs 40 and 42 of the October 28, 2003 Modified Consent Order.** Paragraph 40 of the modified consent order requires that by March 1<sup>st</sup> 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. **Each update must include all information listed in Attachment B of the October 28, 2003, modified consent order including individual tax returns for Donald R. Koski.** Documentation for 2012 was due by March 1, 2012. As of this date, RES has failed to submit documentation of financial responsibility or to adequately update their inability to pay documentation. **Therefore, RES remains in violation of OAC rules 3745-66-43 and 3745-66-45 and paragraphs 40 and 42 of the October 28, 2003 Modified Consent Order.**
- **OAC rule 3745-66-47 and paragraph 41 and 42 of the October 28, 2003 Modified Consent Order.** OAC rule 3745-55-47 requires that 3<sup>rd</sup> 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). On December 6, 2007, Ohio EPA received an ACORD certificate of Liability Insurance for RES. This included pollution legal policy no. EG7549233. Ohio EPA has not received a Hazardous Waste Facility Certificate of Liability Insurance for this policy. 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. This policy is not considered to be in effect until Ohio EPA receives a Hazardous Waste Facility Certificate of Liability Insurance for the policy.

Paragraph 41 of the modified consent order requires that by March 1<sup>st</sup> 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. **Each update must include all information listed in Attachment B of the October 28, 2003 modified consent order including personal tax returns for Donald R. Koski.** Documentation for 2012 was due by March 1, 2012. As of this date, RES has failed to

Mr. Donald R. Koski/Mr. Yogi Chokshi VP  
Reserve Environmental Services, Inc.  
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submit documentation of liability coverage or to update their inability to pay documentation.  
***Therefore, RES remains in violation of OAC rule 3745-66-47 and paragraph 41 and 42 of the October 28, 2003 Modified Consent Order.***

Please submit documentation of financial assurance and 3<sup>rd</sup> party liability coverage or update your inability to pay documentation as soon as possible. Your inability to pay documentation should include business and well as personal federal and state tax returns for the last five (5) years as required by Attachment B of the October 28, 2003 modified consent order. Also please submit a copy of liability policy No. EG7549233.

Reserve Environmental Services, Inc. needs to immediately take steps to return to compliance with Ohio's environmental laws. Within 14 days of receipt of this letter, Reserve Environmental Services, Inc. is requested to submit to this office the documentation needed to abate the violations cited above. Documentation may be submitted via the postal service, common carrier or electronically to [isaac.wilder@epa.state.oh.us](mailto:isaac.wilder@epa.state.oh.us).

Please be advised that the violation(s) cited above will continue until the violations have been properly abated. Failure to comply with Chapter 3734 of the Ohio Revised Code and rules promulgated thereunder may result in a civil penalty of up to \$10,000 per day for each violation. It is imperative that you return to compliance. If you are not able to comply with the time frame noted above you must submit written correspondence outlining the steps that are being taken to attain compliance and the date when compliance be attained.

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 at [isaac.wilder@epa.state.oh.us](mailto:isaac.wilder@epa.state.oh.us).

Sincerely,



Isaac B. Wilder  
Compliance Assurance Section  
Division of Materials and Waste Management

cc: Kelly Smith, CO, CAS, DMWM  
Tim Kern, AGO, EES  
Frank Zingales, NEDO, DMWM

**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.