



September 30, 2013

CERTIFIED MAIL 91 7108 2133 3992 0812 0452

Mr. Louis Naugle
Reed Smith, LLP
435 Sixth Avenue
Pittsburgh, PA 15219-1886

**Re: Eljer Plumbingware, Inc. (OHD 018 297 523)
Financial Record Review: Notice of Violation**

Dear Mr. Naugle:

On September 27, 2013, I completed a financial record review for the Eljer Plumbingware, Inc. facility referenced above. I evaluated the facility for compliance with the post-closure cost estimate and financial assurance requirements set forth in Ohio Administrative Code (OAC) rules 3745-66-44 and 3745-66-45 as well as the Director's Final Findings and Orders (Orders) dated September 11, 1996. The Orders required Eljer to purchase an annuity policy to comply with financial assurance requirements.

On September 1, 2010, an updated post-closure cost estimate of \$603,469.00, prepared by WSP Environment & Energy, was submitted to Ohio EPA.

To demonstrate financial assurance for post-closure care, in accordance with the Orders, Eljer uses an annuity policy and trust fund. The annuity policy (No. S02652945) was established with the Life Insurance Company of Virginia (now Genworth). The policy is dated October 1, 1996 and makes annual payments into the post-closure trust account. The trust fund was originally established with Texas Commerce Bank, NA, (now JP Morgan Chase Bank). The value of the trust (as of June 28, 2013) is \$298,544.56.

Upon review of the financial assurance documentation noted above, I found the following violation:

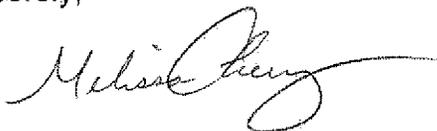
Order No. 5 of the September 11, 1996 Directors Final Findings and Orders: The post-closure trust fund established by Eljer pursuant to Order 4 shall be funded by the annuity policy purchased by Eljer pursuant to Order 2.

Upon review of the account statements, it was found that the annual payments have not been deposited into the Eljer trust for the past several years. Based on the original payment schedule and the most recent account statement, the trust is currently underfunded by \$162,145.41. My understanding is that the annual payments from Genworth were deposited into a general fund at Rexnord, instead of the Eljer trust. Rexnord initially intended to deposit the funds at the end of June 2013 and was working with Genworth to ensure that future payments would be made directly into the Eljer trust. However, the deposit was not made at that time and the trust remains underfunded.

To abate the violation noted above, Rexnord needs to increase the value of the Eljer trust to at least equal the expected 2013 trust amount on the payment schedule. Please submit documentation of the deposit and a statement of the current value of the trust. Please also confirm actions taken to ensure that future payments from Genworth are deposited directly into the Eljer trust.

If you have any questions or need further clarification of any matter mentioned in this letter, please feel free to contact me at (614) 644-3067 or at melissa.cheung@epa.state.oh.us.

Sincerely,



Melissa Cheung
Engineering, Remediation, and Authorizations Section
Division of Materials and Waste Management

MC/ljm

ec: Kim Gallagher, DERR, NEDO
Todd Anderson, Legal
Ed Lim, DERR, CO