



North Carolina Department of Environment and Natural Resources

Dexter R. Matthews, Director

Division of Waste Management

Michael F. Easley, Governor
William G. Ross Jr., Secretary

February 9, 2007

Jerry W Byerly
Third Creek Wastewater Treatment Plant
PO Box 1111
Statesville, NC 28687-1111

Re: Financial Assurance for Third Creek Wastewater Treatment Plant -- NCR000001602

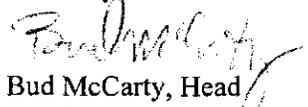
Dear Jerry W Byerly;

As you know a facility under Post-closure Care or a Post-closure Permit must adjust the post-closure cost estimate for inflation annually. Beginning in 2004 the NC Hazardous Waste Section decided not to allow a reduction in the amount of financial assurance provided by a facility until the contamination associated with the regulated unit(s) has been remediated to unrestricted use levels or the facility has demonstrated that the remaining contamination will be remediated in a period of time less than the number of years remaining in the post-closure care period. The criteria for the demonstration can be found in the attached guidance document and on the NC Division of Waste Management web page (<http://www.wastenotnc.org/hwhome/guidance/guidance.htm>).

A request to decrease the amount of financial assurance and the supporting information must be submitted to the NC Hazardous Waste Section project manager, Larry Stanley, at least 60 days prior to submitting the financial assurance information to the NC Hazardous Waste Section Financial Program Coordinator. Future financial assurance mechanism(s) submitted on behalf of post-closure facilities that reflect a decrease in the amount of financial assurance from the prior year will not be approved until the criteria for one of the demonstrations aforementioned in paragraph one (1) has been met.

If you have any questions concerning this guidance you can contact Bud McCarty at 919-508-8552 or bud.mccarty@ncmail.net.

Sincerely:


Bud McCarty, Head
NC Hazardous Waste Section
Facility Management Branch

CC: File Room
Larry Stanley *LS*
RC: Bob Glase *RG*

North Carolina Hazardous Waste Section Guidance on Post-Closure Financial Assurance

The purpose of financial assurance for post-closure care is to assure the Hazardous Waste Section (HWS) that there are sufficient funds available to maintain the closed hazardous waste management units and a ground water monitoring program to monitor releases that may occur from the hazardous waste management unit(s) during the post-closure care period. The post-closure care period begins after the regulated unit(s) is certified closed. The HWS requires facilities to provide financial assurance for 30 years of post-closure care at the beginning of the post-closure care period unless the facility can demonstrate that the post-closure care period should be shorter e.g. ground water contamination will be remediated in less than 30 years.

The practice of the HWS had been to allow the reduction of financial assurance amounts annually at the request of the facility. This annual reduction was allowed by the HWS without requiring a demonstration that the projected costs for post-closure care will be less than the amount of financial assurance maintained by the facility.

Beginning in 2004 the HWS has not allowed further reductions in the amount of financial assurance provided by a facility until the contamination associated with the regulated unit has been remediated to unrestricted use levels or the facility has demonstrated that the remaining contamination will be remediated in a period of time less than the number of years remaining in the post-closure care period. This demonstration must consider the remedial technology(s) currently in use at the site. The demonstration must also be based upon sound scientific and engineering principles and be sealed by a professional engineer or qualified geologist. The lines of evidence that one may use to make the demonstration may include:

- a) A discussion of the effectiveness of the remedial technology(s) in use at the site; and/or
- b) A model that simulates the effectiveness of the current remedial technology(s); and/or
- c) Literature review and/or cases studies of remedial activities that occurred in a similar hydrogeologic environment with the same or similar contaminants.