



North Carolina Department of Environment and Natural Resources

Division of Waste Management

Beverly Eaves Perdue  
Governor

Dexter R. Matthews  
Director

Dee Freeman  
Secretary

May 18, 2010

Kent and Brenda Coble  
Coble's Sandrock, Inc.  
5833 Foster Store Road  
Liberty NC 27298

**Re: Amended 30-day Notice to Establish Financial Assurance for C&D Landfill**

Dear Mr. and Mrs. Coble:

The Solid Waste Section has reviewed the Site Specific Pollution Liability Insurance Policy that you have submitted as a possible financial assurance mechanism for the Construction and Demolition (C&D) Waste landfill. This policy insures Coble's Sandrock, Inc. against claims made during the policy period by third parties for bodily injury or damages caused by off-site pollution emanating from the Coble's Sandrock Landfill Facility. The policy does not provide insurance for closure or post-closure costs, nor does it cover any potential assessment and corrective action costs which may be required in the future. Thus, the policy does not address the requirements of the Solid Waste Management Rules or statutes.

15A N.C. Administrative Code 13B .0546 requires proof of financial assurance for C&D Landfills in accordance with rules for financial responsibility for landfills adopted pursuant to N. C. Gen. Stat. § 130A-294(b). 15A N.C. Administrative Code 13B .1628(e) describes the allowable mechanisms which may be used to ensure that the funds necessary to meet the costs of closure, post-closure care, and corrective action for known releases shall be available whenever they are needed.

The following mechanisms are valid for closure and post-closure costs:

- Trust Fund
- Surety Bond Guaranteeing Payment or Performance, in conjunction with a Standby Trust
- Letter of Credit, in conjunction with a Standby Trust
- Insurance

The following mechanisms are valid for potential assessment and corrective action costs:

- Trust Fund
- Surety Bond Guaranteeing Performance, in conjunction with a Standby Trust
- Letter of Credit, in conjunction with a Standby Trust



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The wording of each financial assurance mechanism must be the same as the wording in Rule .1628(e), except that "solid waste management facility" shall be substituted for "municipal solid waste landfill". Note that the rules do not allow insurance to provide financial assurance for potential assessment and corrective action costs.

All operating C&D landfill units were required to submit proof of financial assurance for closure and post-closure costs by July 1, 2008. See 15A N.C. Administrative Code 13B .0547(2). N.C. Gen. Stat. § 130A-295.2(g) provides: "(I)n order to continue to hold a permit under this Article, a permit holder must maintain financial responsibility and must provide any information requested by the Department to establish that the permit holder continues to maintain financial responsibility." Operating Condition number nine (9) from the Permit to Operate Phase 2 of the Coble's Sandrock, Inc. Landfill, issued on February 23, 2009, states:

"The financial assurance must be continuously maintained for the duration of the facility in accordance with Rule 15A NCAC 13B .0546. During the active life of the C&DLF, the owner and operator must annually adjust the cost estimates including closure and post-closure activities for inflation within 60 days prior to the anniversary date of the establishment of the financial instrument(s)."

Coble's Sandrock, Inc. and Kent and Brenda Coble, owners and operators of the C&D landfill, in order to be in compliance with 15A N.C. Administrative Code 13B .0546 and Operating Condition #9 of the Permit to Operate, shall establish financial assurance for closure and post-closure maintenance and monitoring of the landfill. Within thirty days of receipt of the May 5<sup>th</sup> letter from the Solid Waste Section (return receipt signed by Brenda Coble on May 13, 2010), Coble's Sandrock, Inc. and Mr. and Mrs. Coble shall establish financial assurance in the amounts of \$335,544 for closure of the landfill and \$966,330 for post-closure of the landfill for a total of \$1,301,874, which amounts have previously been approved by the Solid Waste Section, and shall provide copies of the financial assurance instruments to the Division.

Financial assurance in the minimum amount of \$3 million for potential assessment and corrective action costs is statutorily required to be in place by the date of the next subject permit renewal after August 1, 2009 (January 30, 2014). See N.C. Gen. Statute § 130A-295.2(h).



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Please contact me at (919) 508-8502, if you have any questions or concerns.

Sincerely yours,

A handwritten signature in cursive script that reads "Donald Herndon".

Donald Herndon  
Compliance Officer  
Solid Waste Section

cc: Carey Rohrer, Coble's Sandrock, Inc.  
Mark Poindexter, Field Operations Branch Head  
Ed Mussler, Permitting Branch Head  
Geof Little, Permitting Engineer  
Chris Marriott, Environmental Senior Specialist  
Butch Joyce, Joyce Engineering  
Evan Andrews, Joyce Engineering