



North Carolina Department of Environment and Natural Resources

Division of Waste Management

Beverly Eaves Perdue
Governor

Dexter R. Matthews
Director

Dee Freeman
Secretary

August 3, 2010

Mr. Jim Giauque
Blue Ridge Paper Products Inc.
PO Box 4000
Canton, North Carolina 28716

Subject: Financial Assurance Request
Blue Ridge Paper Industrial Landfill
Haywood County, Permit #44-06, Document ID No. 11246

Mr. Giauque:

The Division of Waste Management, Solid Waste Section (Section) is currently processing your Permit to Operate for Landfill Number 6 Area D South. In association with the permitting process North Carolina General Statute NCGS 130A-295.2 requires a permit holder to establish and maintain financial assurance with sufficient funds to provide for both closure costs and post-closure maintenance. Additionally, NCGS 130A-295.2 requires the permit holder to establish financial assurance sufficient to cover a minimum of three million dollars (\$3,000,000) for potential assessment and corrective action at the facility.

In order to establish financial assurance the Section requires the following submissions within thirty (30) days of receipt of this letter:

1. Updates be made and submitted for both the closure and post-closure plans, including cost estimates, for this facility. The cost estimates must be based on hiring a third party to conduct the closure and post-closure activities. In addition, the two (2) foot prescriptive cap described in North Carolina Administrative Code 15A NCAC 13B .0505 is no longer considered an acceptable cap design. Lined industrial landfills, designed and constructed in accordance with 15A NCAC 13B .0503(d)(ii)(B), with leachate collection systems are expected to have a cap system which will minimize infiltration, minimize erosion and have a permeability less than or equal to the landfill liner system.
2. Submission of potential assessment and corrective action costs. The Section requires cost estimates for any ongoing corrective action plan as well as cost estimates for landfill gas and groundwater monitoring and maintenance. If these cost estimates are below \$3,000,000 we are requiring the facility to post the minimum amount of \$3,000,000. On the one year anniversary of this financial assurance mechanism, cost estimates will be reviewed by the Section to determine if this facility needs to provide more financial assurance than the minimum \$3,000,000.

The submission will be reviewed by the permitting engineer for accuracy and acceptability of the cost estimates. Once the cost estimate is approved by the Section, the Facility shall provide the appropriate financial assurance mechanism (15A NCAC 13B .1628(e) describes the allowable mechanisms which

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may be used to establish financial assurance) equal to the approved cost estimate. The Section's compliance staff will ensure that the mechanism is received, appropriate and is regularly updated.

If you should have any questions regarding this matter please contact me at (828) 296-4703, or by email at allen.gaither@ncdenr.gov .

Sincerely,

A handwritten signature in black ink, appearing to read 'Allen Gaither', with a stylized flourish at the end.

Allen Gaither
Environmental Engineer

Cc: Guy Cote – Sevee & Maher Engineers
Donald Herndon – SWS/RCO
Andrea Keller – SWS/ARO