Permit No.	Date	DIN
44-06	**February 9, 2011**	**12882**

RECEIVED
February 8, 2011
Solid Waste Section
Asheville Regional Office

Blue Ridge Paper Products Inc. - Canton Mill / Waynesville Plant

7 Feb 2011

Mr. Allen Gaither
Environmental Engineer
Division of Waste Management
North Carolina Department of Environment
and Natural Resources
2090 U.S. Highway 70
Swannanoa, North Carolina 28778

Subject: **Revised Estimate for Landfill Financial Assurance**
Canton Mill Landfill No. 6
Permit No. 44-06

Dear Mr. Gaither –

Enclosed for Division review and approval is a revised landfill financial assurance estimate for the largest permitted active area at the subject landfill site. This follows our meeting with you on 24 Jan 2011 and our meeting in Raleigh on 25 Jan 2011 with Donald Herndon and Mark Poindexter of the DWM and Nancy Scott of the AG's office concerning landfill financial assurance. We appreciate the Division's assistance in better understanding the guidance for how this estimate is prepared.

Specific questions on the estimate should be directed to our engineer, Mr. Guy Cote of Sevee & Maher Engineers, 207-829-5016, ext 303 (guy@smemaine.com). Upon review and approval of the revised estimate, Evergreen Packaging will establish a financial assurance mechanism in accordance with 15A NCAC 13B .1628(e). We anticipate that this mechanism will be a letter of credit with a target effective date of 1 April 2011.

Sincerely –

James Giauque
Landfill Supervisor and Solid Waste Coordinator
Canton / Waynesville
828-646-2028
jim.giauque@everpack.com

Paul Dickens
Manager, Environment Health and Safety
Canton / Waynesville
828-646-6141
paul.dickens@everpack.com

Enclosure: SME 2011 Financial Assurance Estimate Letter dated 1 Feb 2011

Cc w/ enclosure: Donald Herndon, NC DWM Raleigh

SME
Sevee & Maher Engineers, Inc.

ENVIRONMENTAL • CIVIL • GEOTECHNICAL • WATER • COMPLIANCE

February 1, 2011

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Jim Giauque
Evergreen Packaging-Canton Mill
175 Main St.
PO Box 4000
Canton, North Carolina 28716

Subject: 2011 Financial Assurance Estimate
Landfill No. 6
Canton, North Carolina

Dear Jim:

As requested by Evergreen Packaging-Canton Mill, Sevee & Maher Engineers, Inc. (SME) has prepared a closure cost estimate for Landfill No. 6 consistent with the financial assurance request from the North Carolina Department of Environment and Natural Resources (NCDENR) in a letter dated August 3, 2010. The closure cost estimate is divided into three parts: 1) closure cost; 2) post-closure cost; and 3) corrective action costs. A description of each part is provided below.

CLOSURE COST

The closure cost section is an estimate based on the largest permitted active area, which in the case of Evergreen is 15 acres for 6D-South. The landfill cap build-up for the estimate includes a geomembrane barrier layer as required by recent changes in the industrial landfill rules for North Carolina. The closure cost for the 15 acres is estimated at $2.07-million.

POST-CLOSURE COST

The post-closure cost estimate consists of a list of items related to maintenance and monitoring of the landfill area after closure. The items range from mowing the site, maintenance of roads and site inspections. The costs are multiplied over a 30-year period and adjusted for inflation as required by the landfill rules. The majority of the items are implemented in accordance with the landfill Operations Manual approved by NCDENR. The 30-year post-closure cost is estimated at $543,000.

4 Blanchard Road, PO Box 85A, Cumberland Center, Maine 04021 • Phone 207.829.5016 • Fax 207.829.5692 • www.smemaine.com

CORRECTIVE ACTION COST

The final item required by NCDENR is an allowance for corrective action costs. This cost is for any ongoing corrective action plan related to leachate collection and treatment, along with any associated landfill gas and groundwater monitoring and maintenance. At Landfill No. 6, the unlined and lined cells will maintain an active leachate collective system and groundwater monitoring system. The estimated cost for the corrective action items above is $2.9-million with inflation. Therefore, the minimum of $3,000,000 in accordance with NCGS 130A 295.2(h), has been inserted for the corrective action cost.

SUMMARY

Based on the above cost estimates, the total of the financial assurance instruments for No. 6 Landfill will be approximately $5.62-million for the year 2011.

A set of tables with the estimated closure and post-closure costs are attached. If you have any questions or require additional information, please do not hesitate to contact me.

Sincerely,

SEVEE & MAHER ENGINEERS, INC.

Guy H. Cote, Jr., P.E.
Chief Engineer

cc: P. Dickens, BRPP

Cost Estimate Form for Closure of a Lined Landfill

Facility Name:	
2011 CLOSURE ESTIMATE FOR LANDFILL NO. 6	
Address of Facility:	
CANTON, NORTH CAROLINA	
Owner:	
EVERGREEN PACKAGING - CANTON MILL	
Phase: AREA 6A-WEST AND 6D-SOUTH	
15	**Acres (15 acres with HDPE 6D-South)**
DENR Permit #: 44-06	

	Task		Unit	Unit Cost	Quantity	Total Cost
I	**Design of Final Closure Plans**	**Cat1**				
	Engineering Cost	100	*TS*	$75,000.00	1	$75,000.00
	Plans	110	*TS*			$0.00
	Modification/Closure Plan Review Fees	120	*TS*			$0.00
II	**Mobilization, Demobilization & Insurance**	**Cat 2**				
	Total cost	200	*TS*	$25,000.00	1	$25,000.00
	Other	210				$0.00
III	**Erosion Control**	**Cat 3**				
	Silt Fence	300	*LF*	$3.50	6000	$21,000.00
	Erosion Matting/ Blanket	310	*EA*	$15,000.00	1	$15,000.00
	Hay Bale Sediment Barrier	320	*LF*			$0.00
	Hay Mulch Cover	330				$0.00
	Check Dams	340	*EA*			$0.00
	Other	350	*TS*	$25,000.00	1	$25,000.00
IV	**Waste Relocation**	**Cat 4**				
	Test Pits (to define limits of refuse and/or ground water to refuse contact)	400	*DAY*			$0.00
	Clearing & Grubbing	410	*SY*			$0.00
	Waste Regrading	420	*CY*	$0.00	1	$0.00
	Other	430				$0.00
V	**Capping**	**Cat 5**				
A	Cap (Material and Installation)					$0.00
	Geomembrane - 40 mil HDPE	510	*SF*	$0.50	652500	$326,250.00
	Common Borrow Soil Layer - 18" thick	520	*CY*	$5.50	36300	$199,650.00
	Common Borrow Soil Layer - 36" thick	530	*CY*			$0.00
	Anchor Trench	540				$0.00
	Geotextile 16 oz.	541	*SF*	$0.30	652500	$195,750.00
	Geotextile 12 oz.	542	*SF*	$0.20		$0.00
	Geocomposite	543	*SF*	$0.45	652500	$293,625.00
	Other	550				$0.00
B	Gas Vents Devices	Cat 6				$0.00
	Gas Wells	600	*VF*	$80.00	0	$0.00
	Gas Vents	610	*LF*	$9.00	6000	$54,000.00
C	Layers	Cat 7				$0.00
	Drainage Layer - Washed Aggregate - 6" thick	700	*CY*	$17.00	12100	$205,700.00
	Intermediate Cover Placement	710	*CY*	$0.00	0	$0.00
	Sand - Protective Gas Venting Layer - 12" thick	720	*CY*	$7.00	0	$0.00
	Topsoil/Loam or Manufactured Soil - 6" thick	730	*CY*	$10.00	12100	$121,000.00
	Sand Bags for berms	740	*ea*	$0.15		$0.00
	Other	750				$0.00

Updated 2/1/2011

Task		Unit	Unit Cost	Quantity	Total Cost
VI Stabilization, Run-off Control	Cat 8				
Seed & Mulch (Include Lime, Fertilizer, Seed & Hay Mulch)	800	*Unit*	$50.00	1300	$65,000.00
Surface Water Diversion Swales	810	*LF*	$0.00	0	$0.00
Stone Rip-Rap	820	*LF*	$20.00	0	$0.00
Piping 6 inch	852	*LF*	$9.00	7000	$63,000.00
Piping Connections	853	*EA*	$1,000.00	12	$12,000.00
Stormdrain system	860	*EA*	$0.00	1	$0.00
VII Monitoring Devices	Cat 9				
Settlement Monuments/Plates	900	*EA*			$0.00
Groundwater Monitoring Wells	910	*EA*			$0.00
Gas Monitoring Probes	920	*EA*		0	$0.00
Other	930				$0.00
VIII Roadway	Cat 10				
Access Roadway	1000	*LF*			$0.00
Drainage Ditches	1010				$0.00
Culvert Inlet & Outlet Headwalls	1020				$0.00
Guide Rail	1030	*LF*			$0.00
Culverts	1040	*LF*	$50.00	500	$25,000.00
New/Replaced Pavement	1050	*SY*			$0.00
Other	1060				$0.00
IX Miscellaneous	Cat 11				
Signs	1100	*LS*			$0.00
Perimeter Fence	1110	*LF*			$0.00
Entry Gate - Double Unit	1120	*EA*			$0.00
Miscellaneous Work and Cleanup	1130				$0.00
Ledge Removal	1140	*CY*			$0.00
Other	1150				$0.00
X Surveying	Cat 12				
Baseline, Bench Marks, and Survey Control	1200	*EA*	$5.00	1	$5.00
Other	1210				$0.00
XI Construction Phase Testing	Cat 13				
Compaction Testing	1300				$0.00
QAQC	1310		$30,000.00	1	$30,000.00
Other	1320				$0.00
XII Engineering	Cat 14				
Resident Engineer, Project Manager, Project Engineer	1400		$125,000.00	1	$125,000.00
Record Drawings	1410		$8,000.00	1	$8,000.00
Other	1420				$0.00
XIII Other (list)	Cat 15				
	1500				$0.00
	1510				$0.00
XIV Contingency (minimum 10%)	Cat 16				
	1600	*LS*	10%	1884980	190,000
Total Closure Cost					$2,074,980

Total Closure Cost Rounded	$2,075,000
Post Closure Monitoring and Maintenance	$543,000
Corrective Action	$3,000,000
Total Financial Assurance	$5,618,000

Evergreen Packaging - Canton Mill
Landfill No. 6
Canton, North Carolina
Post-Closure Monitoring and Maintenance Costs

Inflation Rate 1.20%

1. Landfill Maintenance Cost

	ESTIMATED COSTS years	cost/year	total cost	Adjusted for Inflation	
a. General site repairs and maintenance.					
Required repairs will include erosion repairs of the cover system, siltation removal from the stormwater conveyance system, surface repairs to the roads, and culvert maintenance.	1-10	$2,500	$25,000	($26,394)	
	11-30	$1,500	$30,000	($37,946)	
Approximately 150 acres of the landfill facility will require mowing. Mowing will occur twice per year.	1-30	$5,000	$150,000	($179,276)	
b. Snow removal.					
Road maintenance during the winter months will include plowing, sanding, and shoveling	1-30	$2,500	$75,000	($89,638)	
c. Gas control system.					
Not Applicable	1-30	$0	$0	$0	
SUBTOTAL LANDFILL MAINTENANCE					**($333,254)**

2. Landfill Inspections

a. Mill inspections					
This item provides the cost for periodic inspections by Evergreen personnel. The first 3- years will require 2 visits per year. Years 4-30 will require 1 visit per year.	1-3	$500	$1,500	($1,518)	
	4-30	$300	$8,100	($9,846)	
b. Independent engineering firm					
Cost associated with this item include 2 site inspections per year for the first three years of post closure and 1 site inspection per year for the last twenty seven years.	1-3	$1,000	$3,000	($3,036)	
	4-30	$500	$13,500	($16,409)	
c. Geotechnical Inspections					
This item includes the cost associated with one site inspection per year for the 30-year post closure period. Cost include the review of data (piezometers, settlement, gauges, etc.), and a letter report documenting the condition of the landfill.	1-30	$1,000	$30,000	($35,855)	
SUBTOTAL INSPECTION COST					**($66,664)**

3. Leachate Management	year	cost/year	cost		
a. Electric cost (pump station) This item includes the electrical cost for two pump stations.	1-30	$2,000	$60,000	($71,710)	
b. General cost This item includes costs associated with general repairs and maintenance to the pump station buildings, pumps, fitting, valves, meters and lights.	1-30	$2,000	$60,000	($71,710)	
	SUBTOTAL LEACHATE MANAGEMENT				**($143,420)**

CORRECTIVE ACTION COST ITEMS INCLUDED IN THE $3,000,000

Leachate collection and treatment

a. Collection and transport system
Assumes biennual preventative maintenance of the leachate force main, cleaning, inspection, and replacement of the leachate pond liner and annual cleaning and inspection of the leachate collection system. Two sets of pumps for replacement are included.

b. Leachate Treatment
Cost associated with treating the leachate pumped to the WWTP. Leachate generation is based on geomembrane cover for 6D-South and soil covers on 6A-East, West, and B and C.

Water Quality Monitoring, Testing, and Reporting

a. Sampling and Analysis

Cost associated with water quality monitoring, testing, and reporting include field sampling, laboratory analysis, quarterly and annual reporting, equipment cost, mileage , hotel, and meal cost and miscellaneous materials cost. The water sampling will be at a rate of twice a year for the first five years and once a year the following twenty five years

b. Methane Gas Monitoring

Cost associated with methane gas testing, and reporting include field sampling, and semi annual reporting, equipment cost, mileage , hotel, and meal cost and miscellaneous materials cost. The gas monitoring will be at a rate of twice per year for the first ten years and once a year the following twenty years

c. Groundwater and Gas monitoring system.

This item provides the cost to replace two monitoring wells and a gas probe over the 30-year post-closure period. The cost include drilling , installation , development , and documentation.

SUBTOTAL CORRECTIVE ACTION	**($3,000,000)**
GRAND TOTAL FOR 30 YEARS	**($3,543,339)**
ROUNDED	**($3,543,000)**

Reviewed by Sevee & Maher Engineers, 1/31/2011