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North Carolina Department of Environment and Natural Resources
Division of Waste Management

Beverly Eaves Perdue
Governor

Dexter R. Matthews
Director

Dee Freeman
Secretary

January 27, 2011

Ms. Sarah Wolpert
WM Healthcare Solutions
100 W Fannin Street
Suite 4000
Houston, TX 77002

Re: Transfer of Permit to Operate
American Environment Group AEG, Medical Waste Treatment Facility
Washington County, Permit 94-06, Document Id Number 12811

Dear Ms. Wolpert:

The Division of Waste Management, Solid Waste Section (Section) received notification from Dwight Schaubach, CEO of Incendere, Inc., of the intent to sell American Environment Group AEG Medical Waste Treatment Facility in Creswell, North Carolina to WM Healthcare Solutions, Inc. (WM Healthcare) (DIN 7876). The facility currently operates under Permit 94-06 (DIN 7554) which expires on May 22, 2014. The North Carolina General Statutes allow the transfer of a solid waste facility permit if approved by the Section.

For some facility types, such as landfills, there are specific requirements in our statutes and rules for a change in ownership such as local government approval, public hearing, public notifications, etc. This is not the case for a medical waste treatment facility. For facilities such as this one, we generally limit our review to the financial responsibility and environmental compliance review requirements required by statute and to minor changes in the current operation plan.

The Section cannot transfer the permit until we have completed our review of your application. The Section has not received a formal application for transfer of the permit from WM Healthcare. As a courtesy, I have reviewed a draft application that included new owner information and changes to the current operation plan. I provide mainly editorial comments. The requested change in service area is considered a substantial change and goes beyond a typical transfer of the permit. The Section prefers you address it in a separate application after the permit is transferred. Otherwise, I did not see any major areas of concern.

WM Healthcare may submit an application for the transfer and the Section can start the complete review before purchase of the facility. WM Healthcare would still need to supply copies of the recorded deeds after the purchase. I cannot guarantee that WM Healthcare will meet the

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compliance and financial review requirements; however, I can offer that we have permitted facilities for Waste Management of Carolinas who met the requirements. I cannot guarantee a specific date to complete the review, but I can keep you informed of our progress.

The Section understands that there is usually a transition period when transferring permits. This is why we request a statement indicating that you will operate under the approved operation plan and current permit conditions until the final permit decision is made and the permit transfer is completed. I provided an example of a sworn statement similar to one used by another facility in a similar situation to Ayuk Etta of your office. If you have concerns about the statement, please contact me and I will try to address them.

I hope this helps with concerns about the process of transferring a permit. If you have additional questions, please contact me at (919) 508-8520 or by email at pat.backus@ncdenr.gov.

Sincerely,

A handwritten signature in cursive script that reads "Pat Backus".

Patricia Backus, PE
Environmental Engineer
Solid Waste Section

cc: Ed Mussler, PE, Permitting Branch Head