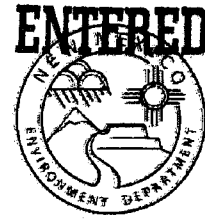




SUSANA MARTINEZ
Governor
JOHN A. SANCHEZ
Lieutenant Governor

State of New Mexico
ENVIRONMENT DEPARTMENT
Hazardous Waste Bureau

2905 Rodeo Park Drive East, Building 1
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BUTCH TONGATE
Cabinet Secretary
J. C. BORREGO
Deputy Secretary

CERTIFIED MAIL – RETURN RECEIPT REQUESTED

August 1, 2017

Ms. Krista Harsono
Compliance Director
Advanced Chemical Treatment
6133 Edith Boulevard N.E.
Albuquerque, NM 87107

**RE: FINANCIAL ASSURANCE INFORMATION REQUEST
ADVANCED CHEMICAL TREATMENT
EPA ID# NMD002208627
HWB-ACT-MISC**

Dear Ms. Harsono:

The New Mexico Environment Department (NMED) has reviewed the Advanced Chemical Treatment (ACT; the Permittee) June 26, 2017 response to NMED's May 16, 2017 Financial Assurance Information Request and ACT's draft closure cost estimate for future clean closure of the Albuquerque RCRA permitted hazardous waste storage facility (Facility).

As stated in NMED's May 16, 2017 request, the Facility closure cost must be calculated using third-party cost estimates. For example, if NMED were to request copies of ACT's third-party cost estimates, those estimates must be made available on the third-party's letterhead. EPA (40 CFR 264.142(a)(2)) defines third-party as "...a party who is neither a parent nor a subsidiary of the owner or operator."

Again, the table provided on June 26, 2017, does not appear to adequately reflect the Facility's current closure plan. For example, Rinchem's soil gas survey third-party cost (in your current 2001 permit) was \$13,113; however, ACT is only allotting \$200 (June 26, 2017 response letter). This inconsistency must be corrected. Also, hazardous waste disposal cost estimates should reflect the RCRA waste type as well as treatment to meet Land Disposal Restrictions (LDRs), if

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necessary, and include costs for transportation. Properly transporting and disposing of RCRA waste, per third-party, is simply not feasible for \$1.00 per gallon.

To provide an example of third-party closure costs, NMED calculated a preliminary closure cost estimate, using third-party unit costs. Based on preliminary calculations, a more realistic closure cost figure is approximately \$1,500,000 and is generally consistent with other TSD facilities of this nature.

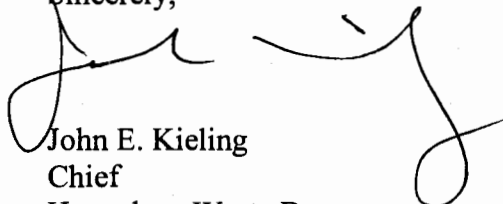
If ACT continues to use a surety bond, ACT is required to also have a standby trust, whether it's a payment bond (40 CFR 264.143(b)(3)) or a performance bond (40 CFR 264.143(c)(3)). If ACT chooses to use the financial test or a corporate guarantee for financial assurance, you must submit a copy of your 10-K financials or comparable financial information. This financial information is based on 40 CFR 264.143(f)(3)(ii).

Revise the closure cost estimate using 2017 verifiable third-party estimates for all work required in the current permit closure plan to complete clean closure, including disposal of wastes based on the maximum capacities listed in the current permit. The cost estimate must be certified by a registered Professional Engineer.

Provide proof of a financial assurance mechanism for the new closure cost estimate in accordance with the requirements of 40 CFR 264.143. If you choose to use the financial test or corporate guarantee, provide ACT company financial information comparable to that of a publicly traded company (e.g., a Security Exchange Commission (SEC) 10-K financial report). Submit the revised cost estimate and supporting information to NMED no later than **September 18, 2017**.

If you have any questions regarding this letter, please contact Stacie Singleton at (505) 476-6056.

Sincerely,



John E. Kieling
Chief
Hazardous Waste Bureau

cc: D. Cobrain, NMED HWB
S. Singleton, NMED HWB
L. King, EPA Region 6 (6 MM-RC)
P. Paduano, ACT