



June 7, 2012

Mr. David S. Denk  
Regional Permits Administrator  
New York State Department of  
Environmental Conservation  
Region 9  
270 Michigan Avenue  
Buffalo, New York 14203-2915

**CWM CHEMICAL SERVICES, LLC**

1550 Balmer Road  
Model City, NY 14107  
(716) 286-1550  
(716) 286-0211 Fax

Re: Revised Cost Estimates for Closure, Post-Closure and Corrective Measures  
Revised Part 373 Permit Renewal Application

Dear Mr. Denk:

As required by 6NYCRR 373-1.8(b), CWM Chemical Services, LLC (CWM) submitted a renewal application for the Model City Facility on February 1, 2010, at least 180 days prior to the expiration date of the current 6NYCRR Part 373 Permit #9-2934-00022/00097. In a letter dated March 30, 2011, the New York State Department of Environmental Conservation (NYSDEC) issued a Technical Notice of Incomplete Application (TNOIA). The TNOIA indicated that an updated cost estimate is required to be part of the renewal application. On July 7, 2011, CWM submitted a revised Permit Renewal Application, which included Closure, Post-Closure, and Corrective Measures cost estimates.

Based on subsequent meetings and teleconferences between CWM and the NYSDEC, CWM's July 7, 2011 cost estimates were revised and submitted on January 24, 2012. Subsequently, CWM received comments from the NYSDEC via email on May 11, 2012 and has prepared revised cost estimates based on these comments.

Additionally, on May 15, 2012 CWM submitted a permit modification request/revised permit renewal application to add tanks T-8010 and T-8009 as part of Corrective Measures systems known as Process Area III (PA III) and Process Area IV (PA IV). Closure Cost estimates for closure of these tank systems to be installed for PA III and PA IV have been prepared and are provided as Assemblies 5.31 and 5.30, respectively. The cost estimate for Corrective Measures has also been revised to include the operation of the Corrective Measures systems and PA III and PA IV.

Please note that since the initial preparation of the cost estimates in early 2011 using the previously established unit rates, the US Department of Commerce has published an updated Implicit Price Deflators for Gross Domestic Product for the year 2011. The attached cost estimate has been prepared using the previously established unit rates and adjusted by dividing the latest published annual deflator (2011) by the deflator for the previous year (2010), and multiplying the resultant inflation factor by the total amount.

Please find attached responses to NYSDEC comments and the revised detailed cost estimates based on the comments and the inflation adjustment. A summary of the revised cost estimates is attached

June 7, 2012  
Mr. David S. Denk  
NYSDEC

Re: Revised Cost Estimates for Closure, Post-Closure and Corrective Measures  
Revised Part 373 Permit Renewal Application

Page - 2 -

as Table 1. The total financial assurance CWM is proposing to provide is \$100,000,000 (\$100 million).

Please contact Mr. Jonathan Rizzo at (716) 286-0354 or myself at (716) 286-0246 if you have any questions or comments.

"I certify under penalty of law that this document and all attachments were prepared under my direction or supervision according to a system designed to assure that qualified personnel properly gather and evaluate the information submitted. Based on my inquiry of the person or persons who manage the system, or those persons directly responsible for gathering the information, the information submitted is, to the best of my knowledge and belief, true, accurate and complete. I am aware that there are significant penalties for submitting false information, including the possibility of fine and imprisonment for knowing violations."

Sincerely,  
CWM CHEMICAL SERVICES, LLC



Jill A. Banaszak  
Technical Manager  
Model City Facility

JPR/JAB/jpr  
Attachments

cc:	J. Strickland	- NYSDEC/Region 9
	D. Weiss	- NYSDEC/Region 9
	B. Rostami	- NYSDEC/Region 9
	On-site Monitors	- NYSDEC/ Model City, NY
	M. Cruden	- NYSDEC/Albany, NY
	M. Mortefolio	- NYSDEC/Albany, NY
	C. Stein	- USEPA/Region II
	J. Devald	- NCHD/Lockport, NY
	M. Mahar	- CWM/Model City, NY
	J. Rizzo	- CWM/Model City, NY
	D. Darragh	- C&G/Pittsburgh, Pa
	EMD Subject File	
	Q & A	

**Table 1**  
**Summary of Proposed Financial Assurance**  
**CWM Chemical Services, LLC**  
**Model City Facility**  
**Model City, New York**

**Closure Cost Estimate Summary**

No.	Facility Activity Area	Proposed Total Cost: Base = 2010 Offsite Waste Disposal
1.0	PCB Warehouse	\$1,001,965
2.0	Drum Management Building	\$962,097
3.0	Fuels & PCB Management Area	\$220,984
4.0	Stabilization Area	\$1,227,316
5.0	AWTS & CSAs	\$1,278,786
6.0	FAC Ponds	\$10,269,970
7.0	CSA 29 (Truck Wash Building)	\$18,509
8.0	CSA 11 (South Trailer Parking)	\$553,363
9.0	Surface Impoundments (Closed)	\$0
10.0	Laboratories	\$98,793
11.0	Roadways	\$37,195
12.0	Site Monitoring (during closure)	\$259,187
13.0	3rd Party Leach. Trt't (during closure)	\$988,460
14.0	Residuals Management Unit - 1	\$5,712,815
	<b>Totals</b>	<b>\$22,629,438</b>

**Post-Closure Cost Estimate Summary**

No.	Facility Activity Area	Proposed Post-Closure One Year Cost: Base = 2010	Post Closure Period	Proposed 30-Year Post Closure Costs
PCC-1	SLF 1 - 6 (Post Cl)	\$611,261	30	\$18,337,820
PCC-2	SLF 7 (Post Cl)	\$243,792	30	\$7,313,752
PCC-3	SLF 10 (Post Cl)	\$231,706	30	\$6,951,166
PCC-4	SLF 11 (Post Cl)	\$323,147	30	\$9,694,415
PCC-5	SLF 12 (Post Cl)	\$248,737	30	\$7,462,111
PCC-6	Resid Mgmt Unit 1 (Post Cl)	\$300,564	30	\$9,016,922
PCC-7	Lagoons/Salts Areas (Post Cl)	\$36,015	30	\$1,080,444
PCC-8	Process Tank Area (Post Cl)	\$40,469	30	\$1,214,055
CM-1	Corrective Measures (Post Cl)	\$426,828	30	\$12,804,855
	<b>Totals</b>	<b>\$2,462,518</b>	<b>n/a</b>	<b>\$73,875,541</b>

<b>Closure</b>	<b>\$22,629,438</b>
<b>Post-Closure &amp; Corrective Measures</b>	<b>\$73,875,541</b>
<b>Subtotal</b>	<b>\$96,504,979</b>
<b>Adjusted for inflation 2010-2011</b>	<b>\$98,564,770</b>
<b>Plus General Contingency</b>	<b>\$1,435,230</b>
<b>Total Proposed Financial Assurance</b>	<b>\$100,000,000</b>

The US Department of Commerce - Bureau of Economic Analysis updated the National Income and Product Accounts Table 1.1.9. Implicit Price Deflators for Gross Domestic Product on May 31, 2012 for the year 2011. An implicit deflator and an adjustment for inflation has been applied to the cost estimate.  
<http://www.bea.gov/national/nipaweb/>

**Implicit Price Deflators for Gross Domestic Product**

$$2012 \text{ Rate} = 113.327 (2011 \text{ GDP}) \div 110.992 (2010 \text{ GDP}) =$$

2011	113.361	Inflation
2010	110.992	Factor
		1.021