UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 2
290 BROADWAY
NEW YORK, NY 10007-1866

MAY 16 2013

Mr. William H. Hyatt, Jr.
Coordinating Counsel
LPRSA Cooperating Parties Group
K & L Gates
One Newark Center, Tenth Floor
Newark, New Jersey 07102-5252

Re: Diamond Alkali Superfund Site, Lower Passaic River Study Area
Administrative Order on Consent, Index No. CERCLA 02-2007-2009
Bill for Collection No. 2721326S0033

Dear Mr. Hyatt:

The United States Environmental Protection Agency (EPA) is charged with responding to the release or threatened release of hazardous substances into the environment and with enforcement responsibilities under the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), as amended, 42 U.S.C. Section 9601 et seq. EPA has documented the release or threat of release of hazardous substances into the Lower Passaic River Study Area portion of the Diamond Alkali Superfund Site. In response to the release or threatened release of hazardous substances, EPA has spent, and will continue to spend, public funds on actions to investigate and control such releases and threatened releases at the site pursuant to Section 104 of CERCLA.

On May 8, 2007, EPA entered into an Administrative Order on Consent (Order), Index No. CERCLA 02-2007-2009, with the Cooperating Parties Group (CPG) for the performance of the Remedial Investigation and Feasibility Study (RI/FS). Pursuant to Paragraph 80(a) of this Order, the CPG agreed to reimburse EPA for all Future Response Costs, as defined in the Order, incurred by the EPA in connection with the RI/FS from the effective date of the Order.

This Bill for Collection No. 2721326S0033 covers the period from July 1, 2011 through August 31, 2012.

Enclosure A to the Bill for Collection is a narrative statement describing the Future Response Costs paid during the time period covered by the Bill for Collection. Enclosure B consists of two itemized cost summaries, referred to as Superfund Cost Recovery Package Imaging and On-Line System (SCORPIOS) reports for the Diamond Alkali Site, site identification number 02 96, Operable Unit (OU) 00 and OU 03. For the purposes of the SCORPIOS report, OU 03 represents the expansion of the CERCLA investigation from the six-mile Passaic River Study Area to the seventeen-mile Lower Passaic River Restoration Project.

EPA charges time for both the CPG-lead RI/FS and the EPA-lead work to OU 03, but only charges for the CPG-lead RI/FS are included in the SCORPIOS reports that appear in Enclosure B. Some personnel charged their time to OU00 to represent time spent on all OUs. The OU 00 costs have been apportioned among OU 01, OU 02 (OCC/TSI Removal and OCC/TSI Combined Sewer Overflow/Storm Water Overflow Sampling), OU 03 (EPA-lead work, CPG-lead Removal and CPG-lead RI/FS) and OU 04, as described in the enclosure. While all OU 00 charges are included in the SCORPIOS report for OU 00 that appears in Enclosure B, the Bill for Collection includes only those costs that EPA has apportioned to the CPG-lead RI/FS.

EPA certifies that as of August 31, 2012, it has paid at least $3,056,921.08 in Future Response Costs in connection with the RI/FS for the Lower Passaic River Study Area.

As per Section XVIII 80.a. of the Order, payment shall be made within thirty (30) days of receipt of this letter. To effect payment via electronic funds transfer (EFT), you should instruct your bank to remit payment in the required amount to EPA using the following information:

- Amount of payment: **$ 3,056,921.08**
- EFT to be directed to: **Federal Reserve Bank of New York**
- Bank routing number: **021030004**
- Bank account number receiving payment: **68010727**
- SWIFT address: **FRNYUS33**
- Address: **Federal Reserve Bank of New York**
  33 Liberty Street
  New York, NY 10045
- Field Tag 4200 of the Fedwire message to read:
  D 68010727 Environmental Protection Agency
- Name of remitter: **LPRSA Cooperating Parties Group**
- Case Number: **CERCLA 02-2007-2009**
- Site Name: **Diamond Alkali Superfund Site, Lower Passaic River Study Area**
- Site/Spill Identifier: **02-96**

To ensure that your payment is properly recorded, you should send an e-mail or a letter, within one week of the EFT, which references the date of the EFT, the payment amount, the name of the Site, the site number, and your name and address to:

Stephanie Vaughn, Remedial Project Manager
Emergency & Remedial Response Division
U.S. Environmental Protection Agency, Region 2
290 Broadway, 19th floor
New York, New York 10007-1866
E-mail: vaughn.stephanie@epa.gov

and

Sarah Flanagan, Assistant Regional Counsel
Office of Regional Counsel
U.S. Environmental Protection Agency, Region 2
290 Broadway, 17th floor
New York, New York 10007-1866
E-mail: flanagan.sarah@epa.gov

and

Richard Rice
U.S. Environmental Protection Agency
26 W. Martin Luther King Drive
Attention: FINANCE
MS: NWD
Cincinnati, Ohio 45268
E-mail (to both): rice.richard@epa.gov and AcctsReceivable.CINWD@epa.gov

The United States reserves its rights to recover any costs incurred during the time period covered by this accounting but not included in this billing, and all other oversight and response costs incurred pursuant to the Administrative Order on Consent.

EPA reaffirms its commitment to conduct appropriate and cost-effective oversight of work performed by consenting parties while ensuring protective cleanups. To this end, EPA would once again like to offer to discuss with you its plans for the oversight of ongoing work at the Site, and to provide you with the opportunity to suggest ways to effectively streamline the work and its oversight.

If you have any questions regarding this matter, please contact Stephanie Vaughn at (212) 637-3914. Legal inquiries should be directed to Ms. Flanagan at (212) 637-3136. Thank you for your prompt attention to this matter.

Sincerely yours,

R. Basso

Ray Basso, Lower Passaic River Project Director
Emergency & Remedial Response Division

Enclosures

cc: Bill Potter, demaximis, inc.

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ENCLOSURE A
Summary of Costs Incurred by EPA
07/01/11 through 08/31/12
Diamond Alkali Superfund Site, Newark, New Jersey
Operable Unit Three – Lower Passaic River Study Area
Site ID: 02 96

Payroll and Travel from OU03:

These costs consist of direct EPA personnel charges and travel for time spent by EPA employees in overseeing work performed under the Administrative Order on Consent, Index No. CERCLA-02-2007-2009 ("this AOC"), including review of CPG technical submissions, meetings and/or conferring with CPG representatives, internal meetings and conferences concerning the RI/FS, community relations/outreach and coordination with Partner Agencies. See enclosed Payroll Section 3 and Travel Sections 4 and 5 of EPA's Itemized Cost Summary.

02 96 OU3 ($121,485.76 + $188.96 + $439.70) $ 122,114.42

Environmental Services Assistance Teams (ESAT) and Contract Lab Program (CLP) from OU03

These costs consist of analytical and data validation services by Alion Science and Technology Corporation and Routine Analytical Services laboratories, respectively, associated with split sampling for oversight of the CPG's sampling efforts. See enclosed Contract Costs Sections 6 and 10 of EPA's Itemized Cost Summary. Note that a credit has been applied to the Routine Analytical Services charges.

02 96 OU3 ($13,462.98 - $1,246.09) $ 12,216.89

Interagency Agreement from OU03:

These costs consist of technical support by the U.S. Army Corps of Engineers, Kansas City, for oversight of work performed under this AOC. A portion of the costs included in Voucher Numbers 27057590, 27057906, 27058295, and 27058690 are related to oversight of the CSO/SWO work. As such, these charges have been deducted from the total for this item, as well as from the associated indirect costs. See enclosed Contract Costs Section 7 of EPA's Itemized Cost Summary and the March 8, 2013 summary of CSO/SWO costs.

02 96 OU3 [$1,994,480.85 – $22,317] $ 1,972,163.85

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Other Expenditures from OU03:

These costs consist of charges for contractor support from the EPA Office of Water for the evaluation of the difference between CPG dioxin results and EPA dioxin split sample results from the 2008 Low Resolution Coring program. See enclosed Contract Costs Section 8 of EPA's Itemized Cost Summary.

02 96 OU3	$ 36,799.00

Other Expenditures from OU03:

These costs consist of charges for contractor support for file storage and maintenance by GRB Environmental Services, Inc. These costs have been equally apportioned between EPA lead activities and EPA oversight of work performed under this AOC. See enclosed Contract Costs Section 9 of EPA's Itemized Cost Summary.

02 96 OU3 ($1,132.25 / 2)	$ 566.13
Subtotal - Direct OU03	$ 2,143,860.29

Indirect Costs from OU03:

Indirect costs are those costs which are necessary to the operation of the Superfund program and the support of site cleanup efforts, but which cannot be tied directly to the efforts at any one site. Indirect costs are allocated to particular Superfund sites by means of a methodology established by EPA Headquarters. .

02 96 OU3 ($2,143,860.29 x 0.3308)	$ 709,188.98
Subtotal Direct and Indirect Costs from OU03:	*$ 2,853,049.27*

Payroll from OU 00:

The OU 00 SCORPIO$ report includes payroll and associated indirect costs for OU 01, OU 02 (OCC/TSI Removal and OCC/TSI Combined Sewer Overflow/Storm Water Overflow Sampling), OU 03 (EPA-lead work, CPG-lead Removal and CPG-lead RI/FS) and OU 04. Therefore, these costs were divided evenly among the seven components.

02 96 OU0 ($13,741.03 / 7)	$	1,963.00

Other Expenditures from OU00:

The OU 00 SCORPIO$ report includes payroll and associated indirect costs for OU 01, OU 02 (OCC/TSI Removal and OCC/TSI Combined Sewer Overflow/Storm Water Overflow Sampling), OU 03 (EPA-lead work, CPG-lead Removal and CPG-lead RI/FS) and OU 04. Therefore, these costs were divided evenly among the seven components.

02 96 OU0 ($4,981.90 / 7)	$	711.70

These costs also consist of "Systems Research & Applications Corp" charges for contractor support for Community Advisory Group (CAG) facilitation. EPA determined that 35 percent of these costs were related to EPA oversight of work performed by the CPG under this AOC.

02 96 OU0 ($59,139.17 x 0.35)	$	20,698.71

State Cooperative Agreement from OU00:

These costs consist of charges for oversight and support provided by the New Jersey Department of Environmental Protection under a cooperative agreement with EPA. A review of personnel charges provided by NJDEP (enclosed) determined that $125,794 was spent on EPA oversight of work performed under this AOC.

	$	125,794

Technical Assistance Grant from OU00:

These costs are related to the Passaic River Coalition grant. For each voucher, EPA determined that 13% of the work was performed under this AOC.

02 96 OU0 ($30,980.93 x 0.13)	$	4,027.52
Subtotal Direct Costs - OU00	$	153,194.93

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Indirect Costs from OU00

See description above.

02 96 OU00 ($153,194.93 x .3308)	$ 50,676.88
Subtotal Direct and Indirect Costs from OU00:	*$ 203,871.81*

Bill for Collection Amount		**$ 2,853,049.27**
	Plus	**$ 203,871.81**
		$ 3,056,921.08