From: Rinaldi, Gerald M
To: Bardo, Kenneth
Subject: RE: Solutia Inc., Sauget, IL - Proposed Reduction in US EPA Financial Assurance - Call 5/23, 11:00 AM
Date: Wednesday, May 22, 2013 10:30:08 AM

That would be great; thanks.

Jerry

From: Bardo, Kenneth [mailto:bardo.kenneth@epa.gov]
Sent: Wednesday, May 22, 2013 10:02 AM
To: Rinaldi, Gerald M
Subject: RE: Solutia Inc., Sauget, IL - Proposed Reduction in US EPA Financial Assurance

good morning, jerry. i can give you a call at 11A thursday, if you are available

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From: Rinaldi, Gerald M [gmrina@solutia.com]
Sent: Tuesday, May 21, 2013 4:48 PM
To: Bardo, Kenneth
Subject: RE: Solutia Inc., Sauget, IL - Proposed Reduction in US EPA Financial Assurance

Sorry I missed you both times I attempted to call today. Repeating my voice message, please let me know if/when you would be available:

- Thursday, 5/23, before 1:00
- Tuesday, 5/28, except 1:30 – 2:30
- (added option) Wednesday, 5/29, before 11:00

Thanks,

Jerry

From: Bardo, Kenneth [mailto:bardo.kenneth@epa.gov]
Sent: Wednesday, May 15, 2013 12:39 PM
To: Rinaldi, Gerald M
Cc: Lodisio, Laura; Moore, Tammy; Mack-Smeltzer, Cynthia; Murawski, Richard
Subject: RE: Solutia Inc., Sauget, IL - Proposed Reduction in US EPA Financial Assurance

jerry, we will take a look at the updated financial assurance costs. please send a formal letter to the Division Director (copy me) requesting the reduction along with the supporting data and a certifying statement attesting to the accuracy of the information provided (i think that requirement is in the final decision). however, between mandatory sequestration furloughs, other work commitments, and summer leave, we will not be able to complete the review and provide a response by the June 10 surety bond renewal date. i hope that we might complete this review and response sometime in july.
therefore, Solutia should renew the surety bond at current cost and then have any reduction applied at that time when the insurance company receives a letter from our Division Director detailing the updated financial assurance requirements.

also, there are two ongoing investigations that do not appear to be accounted for in financial assurance requirements. these are the phased approach for assessing and monitoring the MCB plume to the north, and the risk assessment and related work for PCBs in residential soils. some contingency funding should be added to complete that work. we can discuss what some of the required work may be regarding those two issues.

i am available monday and tuesday next week for a call. thanks, ken

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From: Rinaldi, Gerald M [gmrina@solutia.com]
Sent: Tuesday, May 14, 2013 4:30 PM
To: Bardo, Kenneth
Subject: Solutia Inc., Sauget, IL - Proposed Reduction in US EPA Financial Assurance

Effective June 10, 2010, Solutia Inc. put in place a surety bond in the amount of $22,123,173 as financial assurance for RCRA corrective action at the subject facility.

My e-mail to you dated April 27,2011, and titled "Solutia, Sauget, IL - Updated Cost Estimates for Financial Assurance":

- satisfied the requirement of the February 26, 2008, "Final Decision" for such an update every three years; and
- reiterated the agreement per our e-mails of February 23 through 28, 2011, that Solutia would maintain the above amount of financial assurance at that time.

(The first attachment hereto is the spreadsheet that accompanied that April 27, 2011, e-mail and which served as the basis for the current update discussed further below.)

Today Solutia's consultant XDD is separately submitting, on our behalf, the "Construction Completion Report" (CCR) for remediation of the North Tank Farm Area by soil vapor extraction. That submittal and the imminent next renewal of the June 10, 2010, surety bond account for the timing of this proposal.

"CCRs" for other remediation systems were submitted as follows:

- Big Mo and Benzene Pipeline Areas - March 13, 2012
- Chlorobenzene Process Area - Enhanced Aerobic Bioremediation - August 24, 2012
- Chlorobenzene Process Area - Thermally Enhanced Soil Vapor Extraction - August 24, 2012

Because Solutia has now completed construction of the four remedies underlined above, the April 27, 2011, spreadsheet has been updated by the second attachment hereto, in which the principal changes are that construction costs have been omitted, leaving only the operation and maintenance (O&M) costs (adjusted for two years of inflation since April 2011). As a reminder, the details of those construction and O&M costs were provided as follows:

- Big Mo and Benzene Pipeline Areas - "Work Plan for Full-Scale Soil Vapor Extraction" dated November 1, 2010
- Chlorobenzene Process Area - Enhanced Aerobic Bioremediation - e-mail from Rinaldi to Bardo et al. dated February 4, 2011, and titled "Solutia, Sauget, IL - Follow-Up to 01/20/11 Meeting re Alternate CPA Remedy"
- Chlorobenzene Process Area - Thermally Enhanced Soil Vapor Extraction - e-mail from Rinaldi to Bardo et al. dated January 4, 2011, and titled "RE: Solutia, Sauget, IL - Response to US EPA Letter Dated 12/03/10 - CPA T-SVE Cost Estimate"
- North Tank Farm Area - "Work Plan for Full-Scale Soil Vapor Extraction" dated November 1, 2010

Pursuant to all the above, Solutia proposes a reduction in the amount of financial assurance to $12,343,714. I request your cooperation and direction in expeditiously effecting the proposed reduction. I will be out the rest of this week, but I will call you the week of May 20 to discuss how to proceed.

G. M. (Jerry) Rinaldi - 2S
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