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Attorneys for Kelsey-Hayes Company

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re : Chapter 11 Case No.  
: :  
MOTORS LIQUIDATION COMPANY, *et al.*, : 09-50026 (REG)  
f/k/a General Motors Corp., *et al.* : :  
: :  
Debtors. : (Jointly Administered)  
: :  
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**RESPONSE OF KELSEY-HAYES COMPANY TO DEBTORS'  
208<sup>TH</sup> OMNIBUS OBJECTION TO CLAIMS**

Kelsey-Hayes Company<sup>1</sup> (the "Company"), by its attorneys, hereby submits this response to Debtors' 208<sup>th</sup> Omnibus Objection to Claims (Contingent Co-Liability Claims) (the "Objection") filed by Motors Liquidation Company (f/k/a General Motors Corporation) and its affiliated debtors, as debtors in possession (collectively, the "Debtors"). In support of this Response, the Company respectfully represents as follows:

**BACKGROUND**

1. The Company is a member of a group of potentially responsible parties who are potentially responsible under the Comprehensive Environmental Response Compensation and

<sup>1</sup> The Response is filed by Kelsey-Hayes Company, as successor to Dayton Walther.

Liability Act of 1980, as amended ("CERCLA") for the conditions of the North Sanitary Landfill Superfund Site ("Valleycrest" or, the "Site") in Dayton, Ohio (the "VLSG"). The members of the VLSG are: (i) The Standard Register Company, (ii) Cargill, Inc., (iii) NCR Corporation, (iv) the Company, (v) Flowserve Corporation, successor-in-interest to The Duriron Company, (vi) Waste Management of Ohio, Inc., and (vii) Northrop Grumman Corporation, successor-in-interest to Globe Motors, Inc. (collectively, the "Members").

2. On January 21, 1995, the Ohio Environmental Protection Agency (the "Ohio EPA") issued a Director's Final Findings and Orders with respect to the Site (the "FFO"). The FFO provides for the evaluation and development of a Remedial Investigation and Feasibility Study (the "RIFS") for the Site. A copy of the FFO is attached to the proof of claim filed by the VLSG ("Claim 50586") as Exhibit A-2.

3. In order to carry out the terms and conditions of the FFO and perform the RIFS, the Members entered into the (i) Valleycrest Landfill Site Participation Agreement, dated January 12, 1995, as amended by that certain First Amended Valleycrest Landfill Site Participation Agreement, dated May 22, 1998 (the "Original Agreement"), and (ii) the Valleycrest Landfill Site Governmental Entity Participation Agreement, dated on or about January 5, 1999 (the "Second Agreement"), and (iii) the Amendment to Valleycrest Landfill Site Governmental Entity Participation Agreement and the First Amended Valleycrest Landfill Site Participation Agreement, dated on or about May 2000 (the "Master Amendment") (the Original Agreement, the Second Agreement, and the Master Amendment herein are referred to collectively as the "Participation Agreements"). The Participation Agreements are attached to Claim 50586 as Exhibit A-1.

4. The Debtor is a former member of the VLSG and a party to the Participation Agreements. In addition, the Debtor entered into a separate settlement agreements, with certain Members, including the Company, whereby the Debtor agreed to indemnify the parties for any future costs to be incurred at the Site, including, but not limited to, costs to be incurred in completing the work required under the FFOs and future costs incurred to remediate the Site.

5. On November 4, 2002, the Debtor, Kelsey-Hayes Company and TRW Inc. entered into the Settlement Agreement whereby the Debtor is liable to the Company for all past and future response costs incurred by the Company in relation to the Site (the "Settlement Agreement"); a copy of the Settlement Agreement is attached hereto as Exhibit 3.<sup>2</sup>

6. The Participation Agreements allocated a percentage share of the costs and expenses in performing the RIFS to each member of the VLSG. The Company's allocation percentage is 6.75%.<sup>3</sup> During the term of the Participation Agreement, each of the parties were issued periodic assessments by de maximis, the VLSG coordinator of the Site work ("de maximis"), to cover the costs and expenses (as set forth in the Participation Agreements) incurred in connection with complying with the FFO, RIFS and the Participation Agreements. Pursuant to the Settlement Agreement between the Debtor and the Company, the Debtor was to pay the Company's assessments for any costs incurred in connection with the RIFS and FFOs. Certain of these assessments against the Company have not been paid by the Debtor. The Company has contributed additional amounts to cover the unpaid prepetition and postpetition assessments of the Company for the Site.

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<sup>2</sup> At the time the Settlement Agreement was executed, the Company was a wholly-owned subsidiary of TRW Inc. Since then, Kelsey-Hayes (and the other automotive-related businesses and assets of TRW Inc.) were sold to the entity now known as TRW Automotive Inc.

<sup>3</sup> See Exhibit D to the Master Amendment.

7. On November 27, 2009, the Company filed its proof of claim for unreimbursed FFO and RIFS costs incurred by the Company which costs were to have been paid by the Debtor (the "RIFS Claim"), and for future remediation costs at the Site (the "RDRA Claim"); the claims were assigned the number 60991 (collectively, the "Company Claim").

8. On January 28, 2011, the Debtors filed the Objection and listed the Company's RDRA Claim as a contingent co-liability claim and assigned a value of \$0.00 and listed the RIFS Claim as a general unsecured claim in the amount of \$12,864. However, as shown in the Report from de maximis, attached hereto as Exhibit 1, the Company has incurred \$129,519 in RIFS costs which should have been paid by the Debtor. Accordingly, the RIFS Claim should be classified as a general unsecured claim in the amount of \$129,519.

9. As to the portion of the Company's claim for indemnification against the Debtor for the Company's potential share of RDRA costs (i.e., the RDRA Claim), the Remediation Report and cost estimate issued by de maximis, attached hereto as Exhibit 2, estimates that the cost of implementing a remedy at the Site will be \$75.6 million (the "Remediation Cost Estimate"). Based on the Company's allocation set forth in the Participation Agreements (6.75%), the Debtor's indemnification of the Company's RDRA share would be \$5,103,000 which amount should be classified as a general unsecured claim.

### **THE DEBTORS' OBJECTION**

10. The Debtors' Objection asserts that the RDRA Claim is a contribution claim pursuant to section 502(e)(1)(B) of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). See paragraph 1 of the Objection. To establish the co-liability status, the Debtors note that the "Surviving Creditor [is the] United States Environmental Protection Agency"; see Exhibit A to the Objection.

11. On November 28, 2009, the Environmental Protection Agency (the "EPA") filed a proof of claim in the Debtors' bankruptcy case (Claim Number 64064) (the "EPA Claim"). The EPA Claim sets forth over forty-five sites where the Debtors are liable to the EPA for various penalties, costs, and remedies. The Valleycrest Site is not included in the EPA Claim.

## **ARGUMENT**

### **A. The Debtors Have a Recognized Pre-Petition Liability**

12. The RDRA Claim should be allowed against the Debtors under section 1123(a)(4) of the Bankruptcy Code. To disallow the RDRA Claim while concurrently allowing the EPA Claim for similarly situated sites, but not including the Site, would be in direct contravention of the Bankruptcy Code's requirement that claimants within the same class be treated equally.

13. Section 1123(a)(4) of the Bankruptcy Code states that a plan must "provide the same treatment for each claim or interest of a particular class, unless the holder of a particular claim or interest agrees to a less favorable treatment of such particular claim or interest." Thus, under its plain language, "the text of § 1123(a)(4) mandates that a confirmable plan provide the "same treatment" for class members." *In re Sentinel Mgmt. Group*, 398 B.R. 281, 304 (Bankr. N.D. Ill. 2008).

14. The Company and the EPA are similarly situated in that both are asserting general unsecured claims for environmental liabilities. The Debtors are attempting to prevent the allowance of the RDRA Claim while allowing the EPA Claim for similarly situated sites which do not include Valleycrest. Therefore, the RDRA Claim should be allowed in the same manner as the EPA Claim for similarly situated sites in order to satisfy section 1123(a)(4).

15. This Court has stated that "the key inquiry under § 1123(a)(4) is not whether all of the claimants in a class obtain the same thing, but whether they have the same opportunity." *In re Dana Corp.*, 412 B.R. 53, 62 (S.D.N.Y. 2008). Courts have found this to mean that while

some claimants in the same class may settle and therefore receive a different dollar amount allowance than other claimants in that class, the process and opportunity for satisfying and allowing similar claims must remain equal. *See In re Central Medical Center, Inc.*, 122 B.R. 568, 575 (Bankr. E.D. Mo. 1990) ("The parties have presented the issue of whether Section 1123(a)(4) requires a plan to subject class members to the same process for claim satisfaction, or whether that process must yield the same pecuniary result for each class member. This Court chooses the former interpretation."). Under this standard, by attempting to object to the RDRA Claim while allowing the EPA Claim for similarly situated sites, but not including the Site, the Company is denied the same opportunity and process as the EPA to have its claim satisfied, and therefore its treatment is inequitable and in violation of section 1123(a)(4).

16. Thus, the Company requests that this Court accord the RDRA Claim the same treatment and process for satisfaction as the EPA Claim in accordance with section 1123(a)(4) of the Bankruptcy Code.

**B. Section 502 is not Applicable to the Company's RDRA Claim.**

17. Section 502(e)(1)(B) of the Bankruptcy Code provides, in relevant part:

[T]he court shall disallow any claim for reimbursement or contribution of an entity that is liable with the debtor on or has secured the claim of a creditor to the extent that ...such claim for reimbursement or contribution is contingent as of the time of allowance or disallowance of such claim for reimbursement or contribution . . . .

11 U.S.C. § 502(e)(1)(B). All three elements must be met in order for a claim to be subject to disallowance pursuant to § 502(e)(1)(B): "First, the claim must be for reimbursement or contribution. Second, the party asserting the claim must be liable with the debtor on the claim. Third, the claim must be contingent at the time of its allowance or disallowance." *In re Drexel Burnham Lambert Group Inc. ("Drexel I")*, 148 B.R. 982, 985 (Bankr. S.D.N.Y. 1992).

18. The well-recognized public policy motivations behind § 502(e)(1)(B) are two-fold. First, Congress sought to prevent competition between a primary and secondary creditor for the "limited proceeds in the estate." *In re Wedtech Corp.*, 85 B.R. 285, 289 n.4 (Bankr. S.D.N.Y. 1988) ("*Wedtech I*") (quoting HR Rep. No. 95-595, 95<sup>th</sup> Cong., 1<sup>st</sup> Sess. 354 (1977)). Second, Congress enacted § 502(e)(1)(B) to protect debtors from having to make duplicative distributions of estate assets on the basis of contingent claims.

**(1) Section 502 is not Applicable to the RDRA Claim for Costs to be Incurred at the Valleycrest Site**

19. The second prong of 502(e)(1)(B) asks whether a debtor is "liable with" the claimant. *In re GCO Services, LLC*, 324 B.R. 459, 465 (Bankr. S.D.N.Y. 2005). This prong requires "a finding that the causes of action in the underlying lawsuit assert claims upon which, if proven, the debtor could be liable but for the automatic stay." *Id.*, citing *Wedtech I*, 85 B.R. at 290. Courts have held that claims for contribution under CERCLA 113(f) satisfy the co-liability requirement where the underlying cleanup liability of the claimant is legally compelled in some fashion such as a lawsuit or the issuance of a so-called "PRP notice" from an agency such as the EPA. In other words, co-liability requires some compulsion by a government agency to clean-up. *See In re Hemingway Transp. Inc.*, 126 B.R. 656, 662 (D. Mass. 1991) (PRP letter to claimant and debtor suffices to establish co-liability). In this case no such governmental compulsion has been instituted against the Company on the RDRA costs.

20. The public policy rationale for disallowing a claim that is subject to joint liability is to prevent double payment by the debtors on account of the same liability. *See, e.g., In re Lyondell Chemical Company*, 2011 Bankr. LEXIS 10, at \*45 (Bankr. S.D.N.Y., January 4, 2011). This rationale was at the heart of the decisions to disallow the claims that are the subject of the Objection. *See, e.g., In re Chemtura Corporation*, 2011 Bankr. LEXIS 88, at \*49-64

(Bankr. S.D.N.Y., January 13, 2011). In *Chemtura*, the Private Party Claims were premised on joint liability under the cost recovery aspect of CERCLA section 107(a), as opposed to the requirements of contribution under section 113(f) of CERCLA. *Id.* at \*49. As the Debtors had agreements with the EPA and state authorities in which there existed allowed claims for environmental liabilities, and the Private Parties sought contribution on the full amount of their claims, the claims of the Private Parties would subject the Debtors to the type of double payment that section 502(e)(1)(B) was created to prevent. *Id.* at \*54.

21. On November 28, 2009, the EPA filed a proof of claim, which set forth over forty-five sites where the Debtors are liable to the EPA for various penalties, costs, and remedies. The Valleycrest Site is not included in the EPA Claim.

22. There is no EPA Claim against the Debtors for the Valleycrest Site, and as a result, the EPA cannot recover any portion of the cleanup costs incurred by the Company at the Valleycrest Site. Logically, the Debtors cannot be liable then to the EPA for any amount with respect to the Company's cleanup of the Valleycrest Site. The RDRA Claim against the Debtors is a direct claim for established costs representing the Debtors' proportionate share for the remediation costs at the Valleycrest Site.

23. Therefore, there is no risk of double payment from the Debtor (to the EPA and the Company), and the RDRA Claim should not be disallowed under § 502(e)(1)(B).

**C. The Indemnification Claims are Contract Claims Not Subject to 502(e)(1)(B)**

24. Unlike the other recent cases addressing section 502(e)(1)(B) in the context of environmental claims, the Company and the Debtors entered into the Settlement Agreement expressly for the purpose of transferring the liability risk from the Company to the Debtors. As a result of the terms of the Settlement Agreement, the Debtors assumed all of the Company's



rights related to the defense of the environmental claims and accepted all responsibility for paying the environmental claims.

25. The Settlement Agreement was executed in order to relinquish the Company's right to participate in any defense of the environmental claims, in exchange for a blanket indemnification against "all liabilities, remedies, claims, duties, obligations, costs (including any claim for past costs), or penalties that the Company and/or the Debtors may or could have with respect to environmental conditions at, emanating from, or related to the Valleycrest Site and/or any agreement(s) other than this Settlement Agreement entered into by the Company and the Debtors relating to the Valleycrest Site and which liabilities, remedies, claims, duties, obligations, costs (including claims for past costs), or penalties are created under or by CERCLA, Ohio Superfund, the Resource Conservation and Recovery Act; 42 USC. §§6901, et seq. ("RCRA"), or common law." See Settlement Agreement at ¶1 and ¶4. The Settlement Agreement also authorizes the Debtors to "notify EPA and OEPA of the existence and effect of this [Settlement] Agreement, and that Kelsey-Hayes has paid for and extinguished its potential liabilities associated with the Valleycrest Site." See Settlement Agreement at ¶6.

26. The Debtors rely on section 502(e)(1)(B) of the Bankruptcy Code for the proposition that, seven years after entry of the Settlement Agreement, this bargained for exchange should be terminated, all rights received by the Company unenforceable and all claims of the Company disallowed. Such a result would violate the principles and spirit of section 502(e)(1)(B), would alter the incentives to negotiate settlements among parties at risk of environmental liabilities, and would result in a windfall for the Debtors as they have received payment in full without providing any consideration in return.

27. As discussed in Section B, *supra*, in order to establish disallowance of a claim under section 502(e)(1)(B), the Debtor must show: 1) that the claim is for reimbursement or contribution, 2) that the party asserting the claim must be liable with the debtor on the claim, and 3) that the claim is contingent as of the time of allowance or disallowance. *See, e.g., Drexel I*, 148 B.R. at 985. While the Company acknowledges that its claim is contingent, and therefore satisfies the third part of the three part test, given the nature of the Settlement Agreement, the first two requirements demand additional discussion.

**(1) Pursuant to the Settlement Agreement, All Potential Liabilities of the Company Associated with the Valleycrest Site Were Transferred to the Debtors and Therefore, the Claims Are Not for Reimbursement or Contribution.**

28. The first prong of the 502(e)(1)(B) test requires the Debtors to show that the claim is for reimbursement or contribution. "Contribution 'refers to the ability of one joint tort feisor against whom a judgment is rendered to recover a proportional share of the judgment from another joint tort feisor also liable to the plaintiff.'" *In re GCO Services, LLC*, 324 at 465 (*citing Wedtech I*, 85 B.R. at 289. Reimbursement "is a broad word which encompasses whatever claims a co-debtor has which entitle him to be made whole for monies he has expended on account of a debt for which he and the debtor are both liable." *In re Wedtech*, 87 B.R. 279, 287 (Bankr. S.D.N.Y. 1988) ("*Wedtech II*"). Generally, the concept of reimbursement includes indemnity. *In re GCO Services, LLC*, 324 B.R. at 465. The requirement that the claim be for contribution or reimbursement addresses the Congressional intent to prevent competition between a primary and secondary creditor.

29. The Company recognizes that any claim for liability under CERCLA or other applicable law related to the Site, to the extent both the Company and the Debtors, as PRPs, are found liable, would satisfy the requirement that a claim brought by the Company, against the

Debtors, would be for contribution and/or reimbursement. However, that is not the case in the present circumstances. The Debtors accepted a monetary settlement from the Company in exchange for accepting all responsibility for the Company related to the environmental liabilities incurred at the Valleycrest Site. The Settlement Agreement goes beyond the concept of indemnity on joint liabilities, to provide that the Debtors may inform the governmental authorities "that Kelsey-Hayes has paid for and extinguished its potential liabilities associated with the Valleycrest Site." See Settlement Agreement at ¶6.

30. Through its proof of claim, the Company is not seeking contribution from the Debtors for that portion of the underlying environmental claims that would otherwise be the responsibility of the Debtors. Nor is the Company seeking reimbursement for funds it is required to pay. The Debtors have contractually agreed to be fully responsible for all obligations that may otherwise be the liability of the Company at the Valleycrest Site. They accepted consideration in order to have control of the process and the terms of any settlement related to the environmental claims under CERCLA or other applicable law, including those associated with the FFO and RIFS. Therefore, the Company would contractually not be responsible for paying the underlying claims, would not pay the underlying claims in the first instance, and would not be entitled to reimbursement under the terms of the Settlement Agreement. As a result, the claim of the Company is not a claim for contribution or reimbursement, and the Debtors are unable to satisfy the first requirement of section 502(e)(1)(B).

**(2) Under the Terms of the Settlement Agreement, the Sole Liability for the Environmental Claims are Borne by the Debtors and therefore, the Debtors Contractually Eliminated Joint Liability.**

31. The second public policy rationale for disallowing a claim that is subject to joint liability is to prevent double payment by the debtors on account of the same liability. *See, e.g. In*

*re Lyondell Chemical Company*, 2011 Bankr. LEXIS 10 at \*45. Under the present facts, the EPA does not have an allowed claim, and, in the event they seek to amend their claim to include the Site, it is unclear what the value of that claim would be or how, precisely, it would be calculated. The Company expects that such an amended claim would identify the percentage of expenses owed by the Debtors under the terms of the Participation Agreements, and an estimate of the expenses related to the remediation. Even if both that claim filed by the EPA and the Company's RDRA Claim were allowed, the Debtors would not face the potential for redundant payments by the Debtors. The Company's RDRA Claim is for that portion of the remediation that is deemed the responsibility of the Company under the terms of the Participation Agreements, and is based on the contractual relationship between the Debtors and the Company, not on the statutory co-liability created by CERCLA, or any other statutory obligations.

32. The Company acknowledges and agrees that there is co-liability among the PRPs at the Valleycrest Site. The rights and responsibilities of the various PRPs were first articulated in the Participation Agreements, and later, with respect to the Debtors and the Company, within the Settlement Agreement. Therefore, by contract, the liabilities and requirements of the parties have been modified. The Company is only seeking an allowed claim for that portion of the clean-up that, but for the existence of the Settlement Agreement, would otherwise be deemed the liability of the Company under the terms of the Participation Agreement. This unique portion is not the liability of the Debtors in the first instance, and therefore the claim cannot be based on a co-liability argument. Taking it a step further, the Company Claim is not based on the environmental claim under CERCLA, but based solely on the contractual relationship wherein the Debtors agreed to indemnify and hold the Company harmless as part of a Settlement Agreement. As such, the Company believes the Company's RDRA Claim is not subject to

disallowance under section 502(e)(1)(B) and should be allowed based on the estimated value of the underlying environmental claims and the terms of the Participation Agreements.

**(3) The Company Is Entitled to a Claim Under the Terms of the Settlement Agreement.**

33. Pursuant to the Settlement Agreement, the Company and the Debtors agreed to a settlement with respect to the Company's environmental claims at the Valleycrest Site. The terms provided that the Company would pay an agreed-upon consideration, which amount was paid, in full, in 2003, and in return, the Debtors agreed to control the environmental issues at the Site as well as hold harmless and indemnify the Company for any potential obligations that may arise. As of the bankruptcy filing, the only remaining obligation with respect to the Settlement Agreement was for the Debtors to honor their commitment to hold the Company harmless and to indemnify the Company for the obligations, to the extent they arise under applicable law. There are no further obligations on behalf of the Company.

34. "Courts have consistently held that contracts that only require payment by the debtor are not executory." In re Farmland Industries, Inc., 318 B.R. 159, 163 (Bankr. W.D. Mo. 2004) (citing In re Spectrum Information Technologies, Inc., 190 B.R. 741, 748 (Bankr. E.D.N.Y. 1996 (holding that debtor's indemnification obligation was insufficient to deem employment agreement an executory contract); In re Van Dyk Research Corp., 13 B.R. 487, 503-06 (Bankr. D. N.J. (holding that debtor's indemnification obligation in purchase agreement was not an executory contract). As such, the Settlement Agreement is not subject to rejection and the outstanding obligations remain with the estate.

35. If the Court finds that the claim is subject to disallowance under 502(e)(1)(B), the Company will have paid a substantial sum without receiving their bargained for consideration in return. At the time the Settlement Agreement was negotiated, the parties acknowledged they



-and-

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Attorneys for Kelsey-Hayes Company



**Valleycrest Landfill Site**  
**Cost Incurred on RI/FS Subsequent to GM Failure to Pay**  
**Through Present**

	2Q09	3Q09	4Q09	1Q10	2Q10	3Q10	4Q10	1Q11	TOTALS
Cargill (6.75%)	\$18,802	\$21,176	\$20,169	\$6,941	\$16,920	\$12,045	\$7,244	\$26,222	\$129,519
TRW/Kelsey Hayes (6.75%)	\$18,802	\$21,176	\$20,169	\$6,941	\$16,920	\$12,045	\$7,244	\$26,222	\$129,519
Standard Register (6.75%)	\$18,802	\$21,176	\$20,169	\$6,941	\$16,920	\$12,045	\$7,244	\$26,222	\$129,519
NCR (6.75%)	\$18,802	\$21,176	\$20,169	\$6,941	\$16,920	\$12,045	\$7,244	\$26,222	\$129,519
Flowsolve/Durion (3.375%)	\$9,401	\$10,588	\$10,085	\$3,470	\$8,460	\$6,023	\$3,622	\$13,111	\$64,760
Globe (1.6875%)	\$4,700	\$5,294	\$5,042	\$1,735	\$4,230	\$3,011	\$1,811	\$6,555	\$32,378
<b>SUBTOTAL</b>	\$89,309	\$100,586	\$95,803	\$32,969	\$80,370	\$57,214	\$34,409	\$124,554	\$615,214
General Motors (21.9375%)	\$61,106	\$68,822	\$65,550	\$22,557	\$54,991	\$39,148	\$23,544	\$85,220	\$420,938
Waste Management (46%)	\$104,959	\$99,940	\$93,999	\$16,888	\$78,289	\$47,654	\$28,812	\$149,782	\$620,323
<b>TOTAL</b>	\$255,374	\$269,348	\$255,352	\$72,414	\$213,650	\$144,016	\$86,765	\$359,556	\$1,656,475

Cost Incurred on RI/FS Subsequent to GM Failure to Pay Through Present: \$1,656,475  
 Cost to Complete Matters through pre-RD/RA: \$1,003,910  
**TOTAL \$2,660,385**



## CLAIM VALUATION

### **RDRA CLAIMS**

In the VLSG's original proof of claim submitted November 24, 2009, the cost estimate for the worst case remedial option was \$55,935,000. We indicated to Old GM's claims manager, Alix Partners, that this was a preliminary number and that additional changes would be forthcoming from the USEPA and OEPA which would likely increase the cost estimates. Alix Partners asked us to provide a memo to them regarding our claim when the remedial options were closer to finalization.

Over the last few months, USEPA and OEPA have required numerous changes to the remedial alternatives to be considered for the Valleycrest Site. As we indicated to Mr. Neis and Mr. Goslin of Alix Partners in our most recent telephone call, USEPA and OEPA within the last two months have expanded the remedial alternatives to be considered in the RDRA process to address the possibility that extracted leachate and groundwater would have to be addressed via on-site treatment and discharge to an on-site infiltration impoundment or transportation to an off-site commercial facility for treatment and disposal. As a result, the VLSG recently was required to submit a revised draft Feasibility Study to USEPA and OEPA which contained cost estimates for these new remedial elements – i.e., on-site and off-site groundwater and leachate treatment and disposal.

Prior to these most recent changes, all of the remedial alternatives that were included in the feasibility study were premised on the extracted leachate and groundwater from the Site being discharged into the City of Dayton's publically-owned treatment works (“POTW”), thus eliminating the necessity of the on- or off-Site leachate and groundwater treatment and disposal methods referred to above.

However, USEPA has now determined that, since it is possible for various reasons, that the City POTW may not allow the discharge of the leachate and groundwater into its system, the array of remedial alternatives for the Site must now include the possibility of treatment and disposal of contaminated leachate and groundwater on and off the Site via the above-referenced methods. In addition, within the last two weeks, OEPA has required the VLSG to consider changes to leachate and groundwater extraction model which results in yet another remedy cost estimate.

Accordingly, the remedial cost estimates submitted by the VLSG to USEPA and OEPA in the just issued draft Feasibility Study incorporates these on- and off-Site leachate and groundwater treatment and disposal methods. The new cost estimates in the draft Feasibility Study are \$28,447,784 for the lowest cost remedy and \$104,722,141 for the highest cost remedy. (See Ex. A, p. 10 and p. 11 of Appendix J of the draft Feasibility Study submitted by the VLSG to USEPA and OEPA on January 17, 2011.) These numbers are based on a 7% NPV discount rate and include no Agency oversight costs during the implementation of the Remedy. Our previous remedy proofs of claim estimates used the more appropriate factors of 2.7% NPV and estimated future Agency oversight costs at 9%.<sup>1</sup> Utilizing these factors the resulting current remedy

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<sup>1</sup> This 9% factor is based on the Site's actual oversight cost experience.

estimates range from \$38,052,126 (\$38 million) for the lowest cost Remedy 3(a) and \$173,756,588 (\$174 million) for the highest cost remedy (3b). (See Ex. B)

Although far from certain, we believe that a remedial alternative will be chosen which includes the discharge of the extracted groundwater and leachate into the Dayton POTW (i.e. either 2(b) or 3(b)) Accordingly, we have selected Remedy 2(b) which is the highest cost remedial alternative utilizing the POTW as our base claim<sup>2</sup>. Remedy 2(b) is currently estimated to cost \$50,460,529 (\$51 million rounded). (See Ex. B) This remedial alternative is based on a 2.7% NPV, 9% agency oversight cost, an ARARS compliant solid waste cap and extraction of leachate and groundwater with disposal in the City of Dayton's POTW. However, if the City of Dayton does not allow the discharge of leachate and groundwater into its POTW, the highest cost remedial alternative 3(b) would require extracted leachate and groundwater to be treated and disposed of at an off-site commercial treatment facility.<sup>3</sup> The estimated cost for this remedy including the off-site treatment and disposal is \$173,756,586 (\$174 million rounded).<sup>4</sup>

Based on discussions with the City of Dayton representative this past Tuesday (January 25, 2011) during our dispute resolution meeting, this \$174 million remedy, although not certain to be required, is a real possibility at this Site. Accordingly, this risk must be reflected in some manner in the remedial cost estimate by means of a probability factor to prevent the VLSG and USEPA from substantially understating their RDRA claims. The VLSG's Technical Consultants de maximis and CRA have indicated that the probability of the \$174 million remedy being required is 20%. Accordingly, the estimated cost of the remedy at this Site utilizing this probability factor of 20% is as follows:

$$\begin{array}{r} \$174,000,000 \\ \underline{\quad \quad \quad \times 20\%} \\ \$ 34,800,000 \\ \\ \$ 51,000,000 \\ \underline{\quad \quad \quad \times .8} \\ 40,800,000 \\ + 34,800,000 \\ \hline \$ 75,600,000 \end{array}$$

This remedial cost estimate of \$75.6 million is what the VLSG believes should be utilized in any Valleycrest RDRA proof of claim in the Old GM bankruptcy.

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<sup>2</sup> Rather than using a proof of claim methodology utilizing the average between the highest (\$174 million) and lowest (\$38 million) cost remedies or other such cost estimate methods which would result in a substantially higher proof of claim, our consolidated claim is instead based on the 2(b) POTW remedy estimated at \$50.5 million.

<sup>3</sup> Please note that Dayton and Montgomery County have gone on record that the more reasonable cost remedial alternative of on Site treatment and disposal is not likely to receive a permit because of the location of Site in relation to the Dayton Drinking Water Aquifer. (See Ex. C)

<sup>4</sup> OEPA in its latest comments on the leachate and groundwater extraction rate model has proposed that Remedy 2(b) include a higher extraction rate than currently utilized in the 2(b) Remedy presented in the feasibility study. The VLSG has filed for Informal Dispute Resolution on this issue. However, if this change is adopted, the worst case 2(b) Remedy would increase in cost by \$5 million to \$179 million.



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## MEMORANDUM

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TO: File REF. NO.: 016816-05

FROM: Ian K. Richardson/John Buyers/ev/357 DATE: January 17, 2011

RE: Remedial Action Cost Estimates  
North Sanitary Landfill, Dayton, Ohio

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### 1.0 INTRODUCTION

The purpose of this memorandum is to present remedial action cost estimates for the four site-wide comprehensive remedial alternatives assembled in the Feasibility Study (FS) Report for the North Sanitary Landfill in Dayton, Ohio (CRA, 2011). As stated in Section 6.2.3.7 of "Guidance for Conducting Remedial Investigations and Feasibility Studies Under CERCLA" (USEPA, October 1988), cost estimates for remedial alternatives need to consider capital costs [direct (construction) and indirect (nonconstruction and overhead)], annual operation and maintenance (O&M) costs, and the net present value (NPV) of capital and O&M costs. This memorandum also considers periodic costs (e.g., costs associated with 5-year reviews).

Consistent with USEPA (1988) and "A Guide to Developing and Documenting Cost Estimates During the Feasibility Study" (USEPA, July 2000), the cost estimates presented in this memorandum are believed to provide an accuracy of +50 percent (percent) to -30 percent as cost estimates at the FS stage are considered to be "order-of-magnitude". The cost information presented in this memorandum is based on:

- CRA and VLSCG experience with sites in a similar area, of a similar nature, and similar remedial actions
- Information obtained in March 2009 from a vendor (Gundle/SLT Environmental, Inc.) of manufactured capping materials including geosynthetic clay liner (GCL), flexible membrane liner (FML), and geosynthetic drainage net (GDN)
- Sanitary sewer discharge rates obtained from the City of Dayton (City, see Attachment A)

Unit costs were employed equally in costing all remedial alternatives.

This memorandum is structured as follows:

Section 1.0 Introduction  
Section 2.0 Estimated Capital Costs  
Section 3.0 Estimated Annual O&M Costs  
Section 4.0 Estimated Periodic Costs  
Section 5.0 Groundwater Contingent Remedies  
Section 6.0 Summary  
Section 7.0 References

## 2.0 ESTIMATED CAPITAL COSTS

Estimated capital costs for addressing media are discussed in the following sections:

Section 2.1	Waste and Off Property Buried Waste Area (OPBWA) Soil
Section 2.2	NAPL
Section 2.3	Leachate
Section 2.4	Landfill Gas
Section 2.5	Groundwater

### 2.1 WASTE AND OPBWA SOIL

For waste and OPBWA soil, the remedial alternatives include:

- Relocation of Disposal Area 4 waste to be used as the grading fill and engineered subbase or bedding layer to produce an approximately 3 percent minimum slope over the remaining areas to be capped, with simple grading of the resulting Disposal Area 4 excavation to blend with existing surrounding areas and vegetated
- OPBWA waste and soil consolidation into Disposal Area 1
- Capping Disposal Areas 1, 2, 3, and 5 with either a solid waste (SW) cap (Alternatives 2a and 2b) or an alternate SW cap (Alternatives 3a and 3b)
- On-site stormwater management
- Re-establish road to residential properties

It is estimated that the relocation of Disposal Area 4 waste to be graded over the remaining disposal areas, and simple grading of the resulting Disposal Area 4 excavation, could be performed at a unit rate of \$10/cy. Based on the estimated 153,708 cubic yards (cy) of waste and cover material in Disposal Area 4, the estimated cost of the waste relocation work is \$1,537,080. Post-excavation sampling would be performed in Disposal Area 4 to confirm that any direct-contact risk had been addressed. The estimated cost of the post-excavation sampling is \$25,000.

The estimated cost for OPBWA waste and soil consolidation into Disposal Area 1 is \$7,650 (i.e., 765 cy x \$10/cy). The estimated cost of the post-excavation sampling is \$2,000.

Two cap design options have been identified for Disposal Areas 1, 2, 3, and 5, including an SW cap and an alternate SW cap (see Figure 4.2 of the FS Report). If an SW cap is selected, then an engineered subbase (minimum 12 inches) will be needed. If instead an alternate SW cap is selected, then a bedding layer (minimum 6 inches) will be needed. It was assumed that the Disposal Area 4 waste material (foundry sand) will satisfy the requirements for engineered subbase as established in OAC 3745-27-08(D)(22) and the requirements for a bedding layer. On-site screening of the Disposal Area 4 materials could be undertaken, if needed.

As shown in Table 1, the area to be capped is 3,020,874 ft<sup>2</sup>. If an SW cap is selected and a minimum 12-inch engineered subbase is thus required, then 3,020,874 ft<sup>3</sup> or 111,884 cy of engineered subbase material would be needed. If instead an alternate SW cap is selected and a minimum 6-inch bedding layer is thus required, then 1,510,437 ft<sup>3</sup> or 55,942 cy of bedding layer material would be needed. As the estimated amount of material available in Disposal Area 4 (153,708 cy) exceeds these amounts, no imported engineered subbase or bedding layer material is expected to be needed. In order to achieve the approximate desired cap slope while also meeting minimum requirements for engineered subbase or bedding layer thickness, the Disposal Area 1, 2, 3, and 5 waste would need to be contoured for drainage and then the Disposal Area 4 material laid on top of the contoured waste.

Capital cost estimates for capping are shown in Table 1. Installed unit rates for vegetated layer (\$25/cy), cap protection layer (\$18/cy), and soil drainage layer (\$20/cy) are based on CRA experience with previous projects. Installed unit rates for GCL (\$0.65/ft<sup>2</sup>), FML (\$0.70/ft<sup>2</sup>), and GDN (\$0.65/ft<sup>2</sup>) are based on pricing obtained from Gundle/SLT Environmental, Inc. The estimated cost to construct the SW cap is \$9.8M and the estimated cost to construct the alternate SW cap is \$6.6M.

Three other potential SW cap designs are possible within OAC 3745-27-08 with slope variance, by varying the type of drainage layer (GDN or soil drainage layer) and by varying the type of low permeability clay layer (recompacted clay or GCL). It is recognized that these designs are not identified in the FS Report; however, the estimated costs for these other potential designs (also shown in Table 1 for information purposes) were used as the basis for favoring the particular SW cap design identified in the FS Report. The installed unit rate for low permeability clay layer (\$25/cy) is based on CRA experience with previous projects. The installed unit rate for GDN (\$0.65/ft<sup>2</sup>) is based on pricing obtained from Gundle/SLT Environmental, Inc. As shown in Table 1, the estimated cost for these other potential designs ranges from \$11.5M to \$13.7M, relative to the \$9.8M estimated cost for the SW cap design identified in the FS Report.

No costs were included for excavation, treatment, or disposal of hazardous material during cap construction. No costs were included for management of isolated wetlands during cap construction.

An estimated \$250,000 was included for stormwater management facilities, primarily for facilities that may be needed to direct Disposal Area 1 stormwater over to the existing borrow area.

The complete length of Valleycrest Drive is approximately 2,500 feet, of which an approximate 1,200-foot currently closed length would be re-opened to facilitate access to the five residences near the north (dead end) of Valleycrest Drive. The remedial action cost estimates are based on street standards provided by the City on September 24, 2010 for "Bituminous Street Pavement (Normally Residential Type Streets)" (see Attachment B); however, the actual design would be determined during RD. As shown below, the estimated cost to re-open Valleycrest Drive is \$180,750.

	<i>Item</i>	<i>Unit</i>	<i>Estimated Quantity</i>	<i>Unit Price</i>	<i>Estimated Cost</i>
1.	Pavement Removal	yd <sup>2</sup>	5,000	\$5	\$25,000
2.	Gravel Base	yd <sup>3</sup>	1,400	\$40	\$56,000
3.	Asphalt	ton	850	\$75	\$63,750
4.	Curb	ft	2,400	\$15	\$36,000
				Total	\$180,750

## 2.2 NAPL

An estimated \$25,000 was included in all remedial alternatives to allow for -installation of NAPL recovery wells and container systems at NSL-54L and NSL-55L.

## 2.3 LEACHATE

The FS Report presents a proposed leachate extraction system concept that includes up to approximately 35 leachate extraction wells that may be installed, including 28 dual-phase (i.e., leachate and LFG) extraction wells and seven single-phase (i.e., leachate only) extraction wells. It was assumed that the extraction wells would be connected via a leachate forcemain network over to the western side of the site. As shown below, the estimated cost to install such a system is \$794,750.

<i>Item</i>	<i>Unit</i>	<i>Estimated Quantity</i>	<i>Unit Price</i>	<i>Estimated Cost</i>
1. Installation of -35 extraction wells				
i) Structural costs (HDPE)*	each	35	\$10,850	\$379,750
ii) Mech./elect. pump costs (1 gpm)	each	35	\$4,000	\$140,000
2. Installation of forcemain	feet	10,000	\$22.50	\$225,000
3. Installation of electrical conduits and panels	l.s.	1	\$50,000	\$50,000
			Total	\$794,750

\* Average depth of extraction wells would be approximately 40 feet, based on maximum observed waste depth of 39 feet

Provided that a permit can be obtained from the City to discharge to the sanitary sewer, management of extracted leachate would include on-site pretreatment (if needed) and discharge to the sanitary sewer for treatment and disposal. It was assumed that leachate pretreatment (if needed) would consist of:

- An equalization tank with an aeration system
- Additional pretreatment via addition of a coagulant and polymer
- Clarifier
- Sludge holding tank and filter press
- Filter feed tank/cartridge filter/air stripper

Installation of such a pretreatment system would have an estimated equipment cost of \$300,000 and an estimated installation and structure cost of \$1,000,000 for an estimated total capital cost of \$1,300,000. Discharge to the sanitary sewer would have an estimated capital cost of \$25,000 (tie-in to sewer in the Brandt Pike right-of-way). An allowance of \$10,000 has also been made for a system to monitor available sewer capacity (such that site discharges could be reduced or shut down if necessary to avoid backups in

the downstream network, as the City has stated would be required for a tie-in). Note that it may also be possible to discharge directly to the sanitary sewer without pretreatment.

## 2.4 LANDFILL GAS

Landfill gas (LFG) collection and flaring is included in all remedial alternatives.

The FS Report presents a proposed LFG collection system concept that includes up to approximately 28 dual-phase (i.e., leachate and LFG) extraction wells that may be installed. It was assumed that the extraction wells would be connected via a LFG header network over to the western portion of the site, and that the existing enclosed flare would be replaced with a utility flare. An allowance was also included to install a new perimeter LFG abatement system following cap installation. An allowance was also included for expansion of the existing perimeter LFG monitoring network. As shown below, the estimated cost to install such a system is \$764,000.

<i>Item</i>	<i>Unit</i>	<i>Estimated Quantity</i>	<i>Unit Price</i>	<i>Estimated Cost</i>
1. Installation of 28 dual-phase extraction wells	(included in leachate system cost estimate)			
2. Installation of header piping	feet	9,500	\$22.50	\$214,000
3. Installation of new utility flare	l.s.	1	\$200,000	\$200,000
4. Installation of new perimeter abatement system	l.s.	1	\$300,000	\$300,000
5. Expansion of LFG monitoring network	l.s.	1	\$50,000	\$50,000
			Total	\$764,000

No costs were included for potential future energy recovery devices, as the feasibility of operating such a system is unknown at this time.

## 2.5 GROUNDWATER

Two process options were identified for addressing groundwater, including monitoring (Alternatives 2a and 3a) and groundwater extraction (Alternatives 2b and 3b).

The only capital work required in relation to monitoring (all alternatives) is an estimated \$150,000 to expand the groundwater monitoring network.

For alternatives 2b and 3b, the FS Report presents a proposed groundwater extraction system concept that includes up to approximately 10 extraction wells pumping at 2 to 5 gpm each, for a total pumping rate of 41 gpm. It was assumed that the extraction wells would be connected via a groundwater forcemain network over to the western portion of the site. As shown below, the estimated cost to install an extraction system is \$276,000.

<i>Item</i>	<i>Unit</i>	<i>Estimated Quantity</i>	<i>Unit Price</i>	<i>Estimated Cost</i>
1. Installation of 10 extraction wells				
i) Structural costs	each	10	\$10,850	\$108,500
ii) Mech./elect. pump costs (2 to 5 gpm)	each	10	\$5,000	\$50,000
2. Installation of forcemain	feet	3,000	\$22.50	\$67,500
3. Installation of electrical conduits and panels	l.s.	1	\$50,000	\$50,000
			Total	\$276,000

For the purpose of the remedial action cost estimates, it was assumed that extracted groundwater under Alternatives 2b and 3b would be combined with the extracted leachate for management in the same manner. Expansion of the leachate pretreatment system (described above in Section 2.3) to accommodate extracted groundwater would have an estimated incremental equipment cost of \$150,000 and an estimated incremental installation and structure cost of \$500,000 for an estimated total incremental capital cost of \$650,000.

### 3.0 ESTIMATED ANNUAL O&M COSTS

Estimated annual O&M costs for addressing media are discussed in the following sections:

- Section 3.1 Waste and OPBWA Soil
- Section 3.2 NAPL
- Section 3.3 Leachate
- Section 3.4 Landfill Gas
- Section 3.5 Groundwater

#### 3.1 WASTE AND OPBWA SOIL

Annual O&M for the cap is estimated to cost \$25,000. Annual O&M for stormwater facilities is estimated to cost \$25,000. Costs for fence maintenance were not included given that a fence is not desired under future re-use scenarios.

#### 3.2 NAPL

Annual O&M for NAPL monitoring/removal is estimated to cost \$5,000.

#### 3.3 LEACHATE

Annual O&M for the leachate extraction system is estimated to cost \$50,000.



Annual O&M for the leachate pretreatment system (if needed) is estimated to cost \$150,000.

Under the 2-series alternatives (employing an SW cap), operation of a leachate extraction system at approximately 31 gpm would generate approximately 180,000 ft<sup>3</sup> of leachate per month. Based on the approximate monthly flow rate and rate schedule, monthly disposal costs are calculated as follows:

\$16.39 per 1,000 ft <sup>3</sup> for first 3,300 ft <sup>3</sup> = \$16.39 x 3,300/1,000	=	\$ 54.09
\$12.57 per 1,000 ft <sup>3</sup> for next 30,000 ft <sup>3</sup> = \$12.57 x 30,000/1,000	=	\$ 377.10
\$11.13 per 1,000 ft <sup>3</sup> over 33,300 ft <sup>3</sup> = \$11.13 x 146,700/1,000	=	<u>\$ 1,632.77</u>
Total		\$ 2,063.96

Under the 3-series alternatives (employing an alternate SW cap), operation of a leachate extraction system at approximately 38 gpm would generate approximately 220,000 ft<sup>3</sup> of leachate per month. Based on the approximate monthly flow rate and rate schedule, monthly disposal costs are calculated as follows:

\$16.39 per 1,000 ft <sup>3</sup> for first 3,300 ft <sup>3</sup> = \$16.39 x 3,300/1,000	=	\$ 54.09
\$12.57 per 1,000 ft <sup>3</sup> for next 30,000 ft <sup>3</sup> = \$12.57 x 30,000/1,000	=	\$ 377.10
\$11.13 per 1,000 ft <sup>3</sup> over 33,300 ft <sup>3</sup> = \$11.13 x 186,700/1,000	=	<u>\$ 2,077.97</u>
Total		\$ 2,509.16

Extra strength surcharges may also apply depending on the actual leachate chemistry. It is estimated that disposal characterization monitoring would cost \$5,000 annually. Thus, the total estimated annual O&M cost for leachate discharge to the sanitary sewer is:

Series	<u>Disposal Cost</u>			Annual Monitoring	Total Annual Cost
	Monthly	Annually	Annual Including Surcharges		
2-Series	\$2,063.96	\$24,767.52	\$30,000.00	\$5,000.00	\$35,000.00
3-Series	\$2,509.16	\$30,109.92	\$35,000.00	\$5,000.00	\$40,000.00

**3.4 LANDFILL GAS**

Annual O&M for the LFG collection/flaring system is estimated to cost \$50,000. Annual O&M for LFG monitoring and LFG instrumentation maintenance is estimated to cost \$25,000.

**3.5 GROUNDWATER**

It is estimated that groundwater monitoring would cost \$150,000 annually (based on monitoring 40 wells two times per year). It is estimated that monitoring well maintenance would cost \$10,000 annually.

Annual O&M for the groundwater extraction system (Alternatives 2b and 3b) is estimated to cost \$50,000.

As stated above in Section 2.5, for the purpose of the remedial action cost estimates, it was assumed that extracted groundwater under Alternatives 2b and 3b would be combined with the extracted leachate for management in the same manner. O&M of the pretreatment system to accommodate extracted groundwater would have an estimated incremental annual O&M cost of \$75,000.

Operation of a groundwater extraction system at approximately 41 gpm would generate approximately 240,000 ft<sup>3</sup> of groundwater per month. Based on the approximate monthly flow rate and rate schedule, monthly disposal costs are calculated as follows:

\$16.39 per 1,000 ft <sup>3</sup> for first 3,300 ft <sup>3</sup> = \$16.39 × 3,300/1,000	=	\$	54.09
\$12.57 per 1,000 ft <sup>3</sup> for next 30,000 ft <sup>3</sup> = \$12.57 × 30,000/1,000	=	\$	377.10
\$11.13 per 1,000 ft <sup>3</sup> over 33,300 ft <sup>3</sup> = \$11.13 × 206,700/1,000	=	\$	<u>2,300.57</u>
	Total	\$	2,731.76

Thus, disposal of approximately 41 gpm of groundwater to the sanitary sewer is estimated to cost \$2,731.76/month or \$33,000/year. Extra strength surcharges may also apply depending on the actual groundwater chemistry, thus, it was assumed that discharge to the sanitary sewer would cost \$38,000 annually. It is estimated that disposal characterization monitoring would cost \$5,000 annually. Thus, the total estimated annual O&M cost for discharge to sanitary sewer is \$43,000.

#### 4.0 ESTIMATED PERIODIC COSTS

Periodic costs can include construction/O&M activities (e.g., remedy failure, replacement, or decommissioning), professional/technical services (e.g., 5-year reviews), and institutional controls.

Regarding construction/O&M activities, remedy failure or replacement is not anticipated. Periodic construction activities would be limited to decommissioning of systems following remedy completion. The following estimated decommissioning costs have been included:

- Leachate extraction, pretreatment, and sanitary sewer tie-in system decommissioning (all alternatives): \$150,000
- LFG collection/flaring system decommissioning (all alternatives): \$100,000
- LFG monitoring network decommissioning (all alternatives): \$50,000
- Groundwater extraction -system decommissioning (Alternatives 2b and 3b): \$150,000
- Groundwater monitoring network decommissioning (all alternatives): \$100,000
- Remedial Action Report (all alternatives): \$100,000

At this time, 5-year reviews are the only anticipated professional/technical service periodic cost. An allowance of \$50,000 has been included for each 5-year review.

Periodic institutional control costs are not expected above those already included in annual O&M and thus have not been included.

## 5.0 GROUNDWATER CONTINGENT REMEDIES

As discussed in the FS Report, if monitoring alone for groundwater is selected as part of the final remedy, then the following contingent remedies could potentially be relied upon if the selected remedy is determined to be not fully working as planned:

- Enhanced biodegradation
- Groundwater extraction

It is estimated that enhanced biodegradation (e.g., the addition of oxygen, chemical nutrients, or other substances to the groundwater to accelerate biodegradation) would cost \$500,000.

It is estimated that groundwater extraction (e.g., a system potentially similar to that described above in Section 2.5) would cost \$1,500,000.

## 6.0 SUMMARY

Table 2 presents a summary of estimated capital, annual O&M, and periodic costs associated with each of the four site-wide comprehensive remedial alternatives. For each medium, the complete list of remedial process options being considered are identified.

As stated in USEPA (2000), contingency is typically added as a percentage to each of the total cost of construction activities and O&M. Calculations in Table 2 include a total contingency value (scope + bid) for capital costs in the amount of 30 percent and include a total contingency value (scope + bid) for O&M costs in the amount of 30 percent. These values are within the ranges outlined in Section 5.4 of USEPA (2000).

As stated in USEPA (2000), professional/technical services are typically estimated as a percentage of each of the total cost of construction activities and O&M plus contingency. Consistent with Exhibit 5-8 of USEPA (2000), and given that the capital cost associated with all remedial alternatives is expected to exceed \$10M, the following percentages were used in Table 2: Project Management (5 percent applied to both capital and O&M costs), Remedial Design (6 percent applied to capital costs), and Construction Management (6 percent applied to capital costs). Consistent with Section 5.5 of USEPA (2000), O&M technical support was assumed to be 15 percent of the total annual O&M cost.

As recommended in Section 5.6 of USEPA (2000), allowances were included in Table 2 without contingency for institutional controls such as the Environmental Covenant, groundwater-use restrictions, and site information database (\$25,000 capital cost allowance, and \$10,000 annual O&M allowance).

The following total periodic costs are expected (see Table 2):

- \$520,000 (\$400,000 plus 30 percent contingency) is expected to be incurred for decommissioning of systems associated with Alternatives 2a and 3a
- \$715,000 (\$550,000 plus 30 percent contingency) is expected to be incurred for decommissioning of systems associated with Alternatives 2b and 3b
- \$65,000 (\$50,000 plus 30 percent contingency) is expected to be incurred in association with each 5-year review for all alternatives

- \$130,000 (\$100,000 plus 30 percent contingency) is expected to be incurred in association with the Remedial Action Report for all alternatives

NPV calculations for O&M were based on an assumed 30-year timeframe for all remedial components. Periodic costs associated with 5-year reviews would be incurred during years 5, 10, 15, 20, and 25. Periodic costs associated with decommissioning of systems and the Remedial Action Report would be incurred in Year 30.

Consistent with USEPA (2000), NPV calculations were based on a discount rate of 7 percent. Annual and multi-year discount factors are shown in Table 3. NPVs are calculated in Table 4.

The NPV of the four site-wide remedial alternatives are as follows [for simplicity, the constants (i.e., included as part of each alternative) are not included in the descriptions below, but their estimated costs are included]:

	<i>2a</i> <i>SW Cap</i> <i>GW Monitoring</i>	<i>2b</i> <i>SW Cap</i> <i>GW Extraction</i>	<i>3a</i> <i>Alt. SW Cap</i> <i>GW Monitoring</i>	<i>3b</i> <i>Alt. SW Cap</i> <i>GW Extraction</i>
Capital Cost	\$22,705,311	\$24,113,757	\$17,846,790	\$19,255,236
NPV O&M Costs	\$10,287,095	\$13,539,257	\$10,383,886	\$13,636,047
NPV Periodic Costs	<u>\$217,108</u>	<u>\$242,725</u>	<u>\$217,108</u>	<u>\$242,725</u>
<b>Total Cost</b>	<b>\$33,209,514</b>	<b>\$37,895,738</b>	<b>\$28,447,784</b>	<b>\$33,134,008</b>

In the unlikely event that a permit cannot be obtained from the City to discharge extracted leachate and groundwater (pretreated if necessary) to the sanitary sewer, then contingent disposal options may include on-site pretreatment and discharge to an on-site infiltration impoundment or infiltration gallery (with agency approval), or transportation to an off-site commercial facility for treatment and disposal, etc. If on-site management through an infiltration impoundment/gallery is used, then the pretreated liquids would be piped to the borrow area for infiltration, as it is expected that this area will have the capacity to receive the liquids without having an appreciable negative influence on the performance of the extraction systems (the volume to be infiltrated would be less than half of the annual precipitation falling on the site). It was assumed that all of the liquids would require pretreatment and discharge characterization monitoring, and that the cost for on-site management would be the same regardless of which infiltration technology (impoundment or gallery) is used. If transportation and disposal (T&D) to an off-site commercial facility is used, then a storage tank would need to be installed to accommodate extracted liquids pending transportation (a larger tank would be needed for the b-series alternatives). In order to evaluate costs associated with T&D to an off-site commercial facility, information was obtained from a local vendor for T&D to a facility in Middletown, OH, which is located approximately 30 miles south of the site. Based on 5,000-gallon loads as indicated by the vendor, the price for transportation would be \$0.057/gallon and the price for disposal would be \$0.045/gallon, for a total T&D cost of \$0.10/gallon. The total NPV for each alternative under both of these contingent disposal options, as well as the number of loads to be transported off site each day under the off-site T&D option (based on 5 days per week) is as follows:

<i>Alternative</i>	<i>On-Site Management</i>	<i>Off-Site T&amp;D</i>	
	<i>NPV</i>	<i>Loads/Day</i>	<i>NPV</i>
2a	\$32,822,352	12.5	\$59,215,105
2b	\$37,063,340	29.0	\$102,458,431
3a	\$28,021,905	15.4	\$61,478,816
3b	\$32,262,893	31.9	\$104,722,141

## 7.0 REFERENCES

Conestoga-Rovers & Associates, January 2011. Feasibility Study Report for the North Sanitary Landfill, Dayton, Ohio

United States Environmental Protection Agency, October 1988. Guidance for Conducting Remedial Investigations and Feasibility Studies Under CERCLA, Interim Final (EPA/540/G-89/004)

United States Environmental Protection Agency, July 2000. A Guide to Developing and Documenting Cost Estimates During the Feasibility Study (EPA 540-R-00-002)

CAPPING CAPITAL COST ESTIMATE  
NORTH SANITARY LANDFILL  
DAYTON, OHIO

Item	Unit	Unit Price	Quantity (inches)	Disposal Area				Totals	\$/acre
				1	2	5	3		
				Area (ft <sup>2</sup> ):	Area (acres):	Area (ft <sup>2</sup> ):	Area (acres):		
				1,328,980	214,023	1,011,509	466,362	3,020,874	
				30.5	4.9	23.2	10.7	69.35	
<b>SW Cap</b>									
Vegetated Layer	cy	\$25	6	\$615,269	\$99,085	\$468,291	\$215,908	\$1,398,553	
Cap Protection Layer	cy	\$18	6	\$442,993	\$71,341	\$337,170	\$155,454	\$1,006,958	
Soil Drainage Layer	cy	\$20	18	\$1,476,644	\$237,803	\$1,123,899	\$518,180	\$3,356,527	
FML	ft <sup>2</sup>	\$0.70		\$930,286	\$149,816	\$708,056	\$326,453	\$2,114,612	
GCL	ft <sup>2</sup>	\$0.65		\$863,837	\$139,115	\$657,481	\$303,135	\$1,963,568	
								<b>Total:</b>	<b>\$9,840,217 \$141,899</b>
<b>Alternate SW Cap</b>									
Vegetated Layer	cy	\$25	6	\$615,269	\$99,085	\$468,291	\$215,908	\$1,398,553	
Cap Protection Layer	cy	\$18	12	\$885,987	\$142,682	\$674,339	\$310,908	\$2,013,916	
Soil Drainage Layer	cy	\$20	6	\$492,215	\$79,268	\$374,633	\$172,727	\$1,118,842	
FML	ft <sup>2</sup>	\$0.70		\$930,286	\$149,816	\$708,056	\$326,453	\$2,114,612	
								<b>Total:</b>	<b>\$6,645,923 \$95,836</b>
<b>Other Potential SW Cap Designs<sup>1</sup></b>									
<u>Low Permeability Clay Instead of GCL, GDN Instead of Soil Drainage Layer</u>									
Vegetated Layer	cy	\$25	6	\$615,269	\$99,085	\$468,291	\$215,908	\$1,398,553	
Cap Protection Layer	cy	\$18	24	\$1,771,973	\$285,364	\$1,348,679	\$621,816	\$4,027,832	
GDN	ft <sup>2</sup>	\$0.65		\$863,837	\$139,115	\$657,481	\$303,135	\$1,963,568	
FML	ft <sup>2</sup>	\$0.70		\$930,286	\$149,816	\$708,056	\$326,453	\$2,114,612	
Low Permeability Clay Layer	cy	\$25	18	\$1,845,806	\$297,254	\$1,404,874	\$647,725	\$4,195,658	
								<b>Total:</b>	<b>\$13,700,223 \$197,562</b>
<u>Low Permeability Clay Instead of GCL, Soil Drainage Layer Instead of GDN</u>									
Vegetated Layer	cy	\$25	6	\$615,269	\$99,085	\$468,291	\$215,908	\$1,398,553	
Cap Protection Layer	cy	\$18	6	\$442,993	\$71,341	\$337,170	\$155,454	\$1,006,958	
Soil Drainage Layer	cy	\$20	18	\$1,476,644	\$237,803	\$1,123,899	\$518,180	\$3,356,527	
FML	ft <sup>2</sup>	\$0.70		\$930,286	\$149,816	\$708,056	\$326,453	\$2,114,612	
Low Permeability Clay Layer	cy	\$25	18	\$1,845,806	\$297,254	\$1,404,874	\$647,725	\$4,195,658	
								<b>Total:</b>	<b>\$12,072,308 \$174,087</b>
<u>GCL Instead of Low Permeability Clay, GDN Instead of Soil Drainage Layer</u>									
Vegetated Layer	cy	\$25	6	\$615,269	\$99,085	\$468,291	\$215,908	\$1,398,553	
Cap Protection Layer	cy	\$18	24	\$1,771,973	\$285,364	\$1,348,679	\$621,816	\$4,027,832	
GDN	ft <sup>2</sup>	\$0.65		\$863,837	\$139,115	\$657,481	\$303,135	\$1,963,568	
FML	ft <sup>2</sup>	\$0.70		\$930,286	\$149,816	\$708,056	\$326,453	\$2,114,612	
GCL	ft <sup>2</sup>	\$0.65		\$863,837	\$139,115	\$657,481	\$303,135	\$1,963,568	
								<b>Total:</b>	<b>\$11,468,133 \$165,374</b>

Notes:

GDN = geosynthetic drainage net; FML = flexible membrane liner; GCL = geosynthetic clay layer.

Quantities are based on a flat projection; therefore, there will be minor discrepancies in the volume calculations.

It is estimated that the relocation of Disposal Area 4 waste to be graded over the remaining disposal areas, and simple grading of the resulting Disposal Area 4 excavation, could be performed at a unit rate of \$10/cy. Based on the estimated 153,708 cubic yards (cy) of waste and cover material in Disposal Area 4, the estimated cost of the waste relocation work is \$1,537,080. Post-excavation sampling would be performed in Disposal Area 4 to confirm that any direct-contact risk had been addressed. The estimated cost of the post-excavation sampling is \$25,000.

The estimated cost for OPBWA waste and soil consolidation into Disposal Area 1 is \$7,650 (i.e., 765 cy x \$10/cy).

<sup>1</sup>These represent other SW cap designs possible within OAC 3745-27-08 with slope variance.

**SUMMARY OF ESTIMATED CAPITAL, ANNUAL O/M, AND PERIODIC COSTS  
(LEACHATE/GROUNDWATER SANITARY SEWER DISPOSAL SCENARIO)  
NORTH SANITARY LANDFILL  
DAYTON, OHIO**

Environmental Media	Alternative No.: Disposal Area 1, 2, 3, 5 Cap: Groundwater: Process Options	2a	2b	3a	3b
		SW Cap	SW Cap	Alternate SW Cap	Alternate SW Cap
		Monitoring	Extraction	Monitoring	Extraction

**CAPITAL COSTS**

Waste and Soil	Disposal Area 4 Waste Relocation	\$1,537,080	\$1,537,080	\$1,537,080	\$1,537,080
	Disposal Area 4 Post-Excavation Sampling	\$25,000	\$25,000	\$25,000	\$25,000
	OPBWA Waste and Soil Consolidation	\$7,650	\$7,650	\$7,650	\$7,650
	OPBWA Post-Excavation Sampling	\$2,000	\$2,000	\$2,000	\$2,000
	Cap Disposal Areas 1, 2, 3, 5	\$9,840,217	\$9,840,217	\$6,645,923	\$6,645,923
	Stormwater Management Facilities	\$250,000	\$250,000	\$250,000	\$250,000
	Valleycrest Drive Re-Opening	\$180,750	\$180,750	\$180,750	\$180,750
NAPL	Recovery Systems at NSL-54L and NSL-55L	\$25,000	\$25,000	\$25,000	\$25,000
	Extraction System	\$794,750	\$794,750	\$794,750	\$794,750
Leachate	Pretreatment System	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000
	Sanitary Sewer Tie-In and Capacity Sensor	\$35,000	\$35,000	\$35,000	\$35,000
	Collection and Monitoring System	\$764,000	\$764,000	\$764,000	\$764,000
Landfill Gas	Energy Recovery Devices	not included	not included	not included	not included
	Monitoring Network Expansion	\$150,000	\$150,000	\$150,000	\$150,000
Groundwater	Extraction System	not included	\$276,000	not included	\$276,000
	Pretreatment System (incremental to leachate)	not included	\$650,000	not included	\$650,000
	Subtotal Capital Cost:	\$14,911,447	\$15,837,447	\$11,717,153	\$12,643,153
	Contingency (30%):	\$4,473,434	\$4,751,234	\$3,515,146	\$3,792,946
	Subtotal:	\$19,384,881	\$20,588,681	\$15,232,299	\$16,436,099
	Professional/Technical Services - Project Management (5%):	\$969,244	\$1,029,434	\$761,615	\$821,805
	Professional/Technical Services - Remedial Design (6%):	\$1,163,093	\$1,235,321	\$913,938	\$986,166
	Professional/Technical Services - Construction Management (6%):	\$1,163,093	\$1,235,321	\$913,938	\$986,166
	Institutional Controls:	\$25,000	\$25,000	\$25,000	\$25,000
	<b>Total Capital Cost:</b>	<b>\$22,705,311</b>	<b>\$24,113,757</b>	<b>\$17,846,790</b>	<b>\$19,255,236</b>

**ANNUAL O&M COSTS**

Waste	Cap	\$25,000	\$25,000	\$25,000	\$25,000
	Stormwater Management Facilities	\$25,000	\$25,000	\$25,000	\$25,000
NAPL	Monitoring/Removal	\$5,000	\$5,000	\$5,000	\$5,000
Leachate	Extraction System	\$50,000	\$50,000	\$50,000	\$50,000
	Pretreatment System	\$150,000	\$150,000	\$150,000	\$150,000
	Off-Site Disposal	\$35,000	\$35,000	\$40,000	\$40,000
Landfill Gas	Collection and Flaring	\$50,000	\$50,000	\$50,000	\$50,000
	Monitoring	\$25,000	\$25,000	\$25,000	\$25,000
Groundwater	Extraction System	not included	\$50,000	not included	\$50,000
	Pretreatment System (incremental to leachate)	not included	\$75,000	not included	\$75,000
	Off-Site Disposal	not included	\$43,000	not included	\$43,000
	Monitoring	\$150,000	\$150,000	\$150,000	\$150,000
	Monitoring Well Maintenance	\$10,000	\$10,000	\$10,000	\$10,000
	Subtotal Annual O&M Cost:	\$525,000	\$693,000	\$530,000	\$698,000
	Contingency (30%):	\$157,500	\$207,900	\$159,000	\$209,400
	Subtotal:	\$682,500	\$900,900	\$689,000	\$907,400
	Professional/Technical Services - Project Management (5%):	\$34,125	\$45,045	\$34,450	\$45,370
	Professional/Technical Services - O&M Technical Support (15%):	\$102,375	\$135,135	\$103,350	\$136,110
	Institutional Controls:	\$10,000	\$10,000	\$10,000	\$10,000
	<b>Total Annual O&amp;M Cost:</b>	<b>\$829,000</b>	<b>\$1,091,080</b>	<b>\$836,800</b>	<b>\$1,098,880</b>

**PERIODIC COSTS<sup>1</sup>**

Leachate	Extraction/Pretreatment System Decommissioning	\$150,000	\$150,000	\$150,000	\$150,000
Landfill Gas	Collection System Decommissioning	\$100,000	\$100,000	\$100,000	\$100,000
	Monitoring Network Decommissioning	\$50,000	\$50,000	\$50,000	\$50,000
Groundwater	Extraction System Decommissioning	not included	\$150,000	not included	\$150,000
	Monitoring Network Decommissioning	\$100,000	\$100,000	\$100,000	\$100,000
	Subtotal Decommissioning Cost	\$400,000	\$550,000	\$400,000	\$550,000
	Contingency (30%):	\$120,000	\$165,000	\$120,000	\$165,000
	Subtotal:	\$520,000	\$715,000	\$520,000	\$715,000
Various	5-Year Reviews	\$65,000	\$65,000	\$65,000	\$65,000
Various	Remedial Action Report	\$130,000	\$130,000	\$130,000	\$130,000

**Notes**

<sup>1</sup>Decommissioning and Remedial Action Report costs occur at Year 30. 5-Year review costs occur at Years 5, 10, 15, 20, and 25. Includes 30% contingency.

TABLE 3

**ANNUAL AND MULTI-YEAR DISCOUNT FACTORS (7%)  
NORTH SANITARY LANDFILL  
DAYTON, OHIO**

<i>Years</i>	<i>Annual Discount Factor</i>	<i>Multi-Year Discount Factor</i>
1	0.935	0.935
2	0.873	1.808
3	0.816	2.624
4	0.763	3.387
5	0.713	4.100
6	0.666	4.767
7	0.623	5.389
8	0.582	5.971
9	0.544	6.515
10	0.508	7.024
11	0.475	7.499
12	0.444	7.943
13	0.415	8.358
14	0.388	8.745
15	0.362	9.108
16	0.339	9.447
17	0.317	9.763
18	0.296	10.059
19	0.277	10.336
20	0.258	10.594
21	0.242	10.836
22	0.226	11.061
23	0.211	11.272
24	0.197	11.469
25	0.184	11.654
26	0.172	11.826
27	0.161	11.987
28	0.150	12.137
29	0.141	12.278
30	0.131	12.409



TABLE 4

NET PRESENT VALUE ANALYSIS (30 YEARS, 7%)  
(LEACHATE/GROUNDWATER SANITARY SEWER DISPOSAL SCENARIO)  
NORTH SANITARY LANDFILL  
DAYTON, OHIO

<i>Cost Type</i>	<i>Year</i>	<i>Total Cost</i>	<i>Total Cost Per Year</i>	<i>Discount Factor (7%)</i>	<i>Present Value</i>
<u>Alternative 2a</u>					
Capital Cost	0	\$ 22,705,311	\$ 22,705,311	1.000	\$ 22,705,311
Annual O&M Cost	1-30	\$ 24,870,000	\$ 829,000	12.409	\$ 10,287,095
Periodic Cost (5-Year Review)	5	\$ 65,000	\$ 65,000	0.713	\$ 46,344
Periodic Cost (5-Year Review)	10	\$ 65,000	\$ 65,000	0.508	\$ 33,043
Periodic Cost (5-Year Review)	15	\$ 65,000	\$ 65,000	0.362	\$ 23,559
Periodic Cost (5-Year Review)	20	\$ 65,000	\$ 65,000	0.258	\$ 16,797
Periodic Cost (5-Year Review)	25	\$ 65,000	\$ 65,000	0.184	\$ 11,976
Periodic Cost (Decommissioning)	30	\$ 520,000	\$ 520,000	0.131	\$ 68,311
Periodic Cost (Remedial Action Report)	30	\$ 130,000	\$ 130,000	0.131	\$ 17,078
		\$ 48,550,311			\$ 33,209,514
<u>Alternative 2b</u>					
Capital Cost	0	\$ 24,113,757	\$ 24,113,757	1.000	\$ 24,113,757
Annual O&M Cost	1-30	\$ 32,732,400	\$ 1,091,080	12.409	\$ 13,539,257
Periodic Cost (5-Year Review)	5	\$ 65,000	\$ 65,000	0.713	\$ 46,344
Periodic Cost (5-Year Review)	10	\$ 65,000	\$ 65,000	0.508	\$ 33,043
Periodic Cost (5-Year Review)	15	\$ 65,000	\$ 65,000	0.362	\$ 23,559
Periodic Cost (5-Year Review)	20	\$ 65,000	\$ 65,000	0.258	\$ 16,797
Periodic Cost (5-Year Review)	25	\$ 65,000	\$ 65,000	0.184	\$ 11,976
Periodic Cost (Decommissioning)	30	\$ 715,000	\$ 715,000	0.131	\$ 93,927
Periodic Cost (Remedial Action Report)	30	\$ 130,000	\$ 130,000	0.131	\$ 17,078
		\$ 58,016,157			\$ 37,895,738
<u>Alternative 3a</u>					
Capital Cost	0	\$ 17,846,790	\$ 17,846,790	1.000	\$ 17,846,790
Annual O&M Cost	1-30	\$ 25,104,000	\$ 836,800	12.409	\$ 10,383,886
Periodic Cost (5-Year Review)	5	\$ 65,000	\$ 65,000	0.713	\$ 46,344
Periodic Cost (5-Year Review)	10	\$ 65,000	\$ 65,000	0.508	\$ 33,043
Periodic Cost (5-Year Review)	15	\$ 65,000	\$ 65,000	0.362	\$ 23,559
Periodic Cost (5-Year Review)	20	\$ 65,000	\$ 65,000	0.258	\$ 16,797
Periodic Cost (5-Year Review)	25	\$ 65,000	\$ 65,000	0.184	\$ 11,976
Periodic Cost (Decommissioning)	30	\$ 520,000	\$ 520,000	0.131	\$ 68,311
Periodic Cost (Remedial Action Report)	30	\$ 130,000	\$ 130,000	0.131	\$ 17,078
		\$ 43,925,790			\$ 28,447,784
<u>Alternative 3b</u>					
Capital Cost	0	\$ 19,255,236	\$ 19,255,236	1.000	\$ 19,255,236
Annual O&M Cost	1-30	\$ 32,966,400	\$ 1,098,880	12.409	\$ 13,636,047
Periodic Cost (5-Year Review)	5	\$ 65,000	\$ 65,000	0.713	\$ 46,344
Periodic Cost (5-Year Review)	10	\$ 65,000	\$ 65,000	0.508	\$ 33,043
Periodic Cost (5-Year Review)	15	\$ 65,000	\$ 65,000	0.362	\$ 23,559
Periodic Cost (5-Year Review)	20	\$ 65,000	\$ 65,000	0.258	\$ 16,797
Periodic Cost (5-Year Review)	25	\$ 65,000	\$ 65,000	0.184	\$ 11,976
Periodic Cost (Decommissioning)	30	\$ 715,000	\$ 715,000	0.131	\$ 93,927
Periodic Cost (Remedial Action Report)	30	\$ 130,000	\$ 130,000	0.131	\$ 17,078
		\$ 53,391,636			\$ 33,134,008

ATTACHMENT A

CITY OF DAYTON'S SCHEDULE OF RATES FOR  
SEWER SERVICE



Home City Commission Office City Manager's Office Departments News Services My Dayton

## Water Service Rates

### Minimum charge per quarter

#### RATES FOR WATER SERVICE

Minimum Charge Per Quarter  
(Effective January 1, 2009)

5/8"	Meter .....	\$12.97
3/4"	Meter .....	\$21.53
1"	Meter .....	\$46.50
1-1.5"	Meter .....	\$91.87
2"	Meter .....	\$168.01
3"	Meter .....	\$358.08
4"	Meter .....	\$551.09
6"	Meter .....	\$965.53
8"	Meter .....	\$1,652.38
10"	Meter .....	\$2,753.67
>10"	Meter .....	\$3,800.47
First	10,000 CF/1000	\$24.67
Next	90,000 CF/1000	\$23.50
Next	400,000 CF/1000	\$22.17
Next	500,000 CF/1000	\$18.17
Over	1,000,000 CF/1000	\$16.79

#### RATES FOR SEWER SERVICE

Minimum Charge per Quarter  
(Effective January 1, 2009)

5/8"	Meter .....	\$14.16
3/4"	Meter .....	\$14.16
1"	Meter .....	\$27.67
1.5"	Meter .....	\$29.26
2"	Meter .....	\$32.10
3"	Meter .....	\$65.39
4"	Meter .....	\$78.50
6"	Meter .....	\$106.73
8"	Meter .....	\$139.00
10"	Meter .....	\$175.33
First	10,000 CF/1000	\$16.39
Next	90,000 CF/1000	\$12.57
Over	100,000 CF/1000	\$11.13

### Minimum charge per month

#### RATES FOR WATER SERVICE

Minimum Charge Per Month  
(Effective January 1, 2009)

5/8"	Meter .....	\$10.27
3/4"	Meter .....	\$13.06
1"	Meter .....	\$22.07
1-1.5"	Meter .....	\$37.52
2"	Meter .....	\$63.57
3"	Meter .....	\$127.16
4"	Meter .....	\$191.30
6"	Meter .....	\$322.98
8"	Meter .....	\$551.17
10"	Meter .....	\$918.46
>10"	Meter .....	\$1,266.78
First	3,300 CF/1000	\$24.67
Next	30,000 CF/1000	\$23.50
Next	133,000 CF/1000	\$22.17
Next	167,000 CF/1000	\$18.17
Over	333,300 CF/1000	\$16.79

#### RATES FOR SEWER SERVICE

Minimum charge per month  
(Effective January 1, 2009)

5/8"	Meter .....	\$11.19
3/4"	Meter .....	\$11.19
1"	Meter .....	\$15.70
1.5"	Meter .....	\$16.24
2"	Meter .....	\$17.18
3"	Meter .....	\$28.61
4"	Meter .....	\$32.64
6"	Meter .....	\$42.06
8"	Meter .....	\$52.81
10"	Meter .....	\$64.91
First	3,300 CF/1000	\$16.39
Next	30,000 CF/1000	\$12.57
Over	33,300 CF/1000	\$11.13

Additionally, the above rates are subject to charges up to \$0.50/1000 cf, added for the Wall Field Protection Fund.

In addition to the above rates, an Extra Strength Surcharge shall be made for discharges as follows:

NOTICE

Strength Component

Charge Per Excess  
Strength Unit Per 1000  
c.f.

Net amount (5% discount) allowed if paid by the day specified. Gross amount payable thereafter.  
For further information: 333-3550

Biochemical Oxygen Demand (BOD) in excess of 350 mg/l	\$0.00567
Suspended Solids in excess of 350 mg/l	\$0.00609
Special monitoring charge - \$/ccf	\$0.09216

ATTACHMENT B

CITY OF DAYTON'S STANDARDS  
FOR STREET IMPROVEMENTS



	2a		2b		3a		3b	
	Total	NPV	Total	NPV	Total	NPV	Total	NPV
POTW Base	\$48,550,311	\$33,209,514	\$58,016,157	\$37,895,738	\$43,925,790	\$28,447,784	\$53,391,636	\$33,134,008
POTW Variation	\$52,137,700	\$43,113,469	\$62,301,568	\$50,460,529	\$47,156,997	\$38,052,126	\$57,320,865	\$45,399,187
T&D Base	\$114,191,886	\$59,215,105	\$218,112,867	\$102,458,431	\$126,552,015	\$61,478,816	\$230,472,996	\$104,722,141
T&D Variation	\$122,698,630	\$90,379,862	\$234,400,108	\$166,412,588	\$135,976,437	\$97,723,881	\$247,677,885	\$173,756,586

Base Assumptions are 7% NPV Discount Rate and \$0 for agency oversight of the RDRRA both of which are unrealistic.

Variation Assumptions are 9% oversight costs of the RDRRA based on actual experience at the Site over the history of the Site and 2.7% NPV Discount Rate based on U.S. Government data on prevailing prime interest rates and predictions regarding future rates.

**NET PRESENT VALUE ANALYSIS (30 YEARS, 0% AGENCY OVERSIGHT, 7% DISCOUNT RATE)  
(LEACHATE/GROUNDWATER SANITARY SEWER DISPOSAL SCENARIO)  
NORTH SANITARY LANDFILL  
DAYTON, OHIO**

<i>Cost Type</i>	<i>Year</i>	<i>Total Cost</i>	<i>Total Cost Per Year</i>	<i>Discount Factor (7%)</i>	<i>Present Value</i>
<b>Alternative 2a</b>					
Capital Cost	0	\$ 22,705,311	\$ 22,705,311	1.000	\$ 22,705,311
Annual O&M Cost	1-30	\$ 24,870,000	\$ 829,000	12.409	\$ 10,287,095
Periodic Cost (5-Year Review)	5	\$ 65,000	\$ 65,000	0.713	\$ 46,344
Periodic Cost (5-Year Review)	10	\$ 65,000	\$ 65,000	0.508	\$ 33,043
Periodic Cost (5-Year Review)	15	\$ 65,000	\$ 65,000	0.362	\$ 23,559
Periodic Cost (5-Year Review)	20	\$ 65,000	\$ 65,000	0.258	\$ 16,797
Periodic Cost (5-Year Review)	25	\$ 65,000	\$ 65,000	0.184	\$ 11,976
Periodic Cost (Decommissioning)	30	\$ 520,000	\$ 520,000	0.131	\$ 68,311
Periodic Cost (Remedial Action Report)	30	\$ 130,000	\$ 130,000	0.131	\$ 17,078
		\$ 48,550,311			\$ 33,209,514
<b>Alternative 2b</b>					
Capital Cost	0	\$ 24,113,757	\$ 24,113,757	1.000	\$ 24,113,757
Annual O&M Cost	1-30	\$ 32,732,400	\$ 1,091,080	12.409	\$ 13,539,257
Periodic Cost (5-Year Review)	5	\$ 65,000	\$ 65,000	0.713	\$ 46,344
Periodic Cost (5-Year Review)	10	\$ 65,000	\$ 65,000	0.508	\$ 33,043
Periodic Cost (5-Year Review)	15	\$ 65,000	\$ 65,000	0.362	\$ 23,559
Periodic Cost (5-Year Review)	20	\$ 65,000	\$ 65,000	0.258	\$ 16,797
Periodic Cost (5-Year Review)	25	\$ 65,000	\$ 65,000	0.184	\$ 11,976
Periodic Cost (Decommissioning)	30	\$ 715,000	\$ 715,000	0.131	\$ 93,927
Periodic Cost (Remedial Action Report)	30	\$ 130,000	\$ 130,000	0.131	\$ 17,078
		\$ 58,016,157			\$ 37,895,738
<b>Alternative 3a</b>					
Capital Cost	0	\$ 17,846,790	\$ 17,846,790	1.000	\$ 17,846,790
Annual O&M Cost	1-30	\$ 25,104,000	\$ 836,800	12.409	\$ 10,383,886
Periodic Cost (5-Year Review)	5	\$ 65,000	\$ 65,000	0.713	\$ 46,344
Periodic Cost (5-Year Review)	10	\$ 65,000	\$ 65,000	0.508	\$ 33,043
Periodic Cost (5-Year Review)	15	\$ 65,000	\$ 65,000	0.362	\$ 23,559
Periodic Cost (5-Year Review)	20	\$ 65,000	\$ 65,000	0.258	\$ 16,797
Periodic Cost (5-Year Review)	25	\$ 65,000	\$ 65,000	0.184	\$ 11,976
Periodic Cost (Decommissioning)	30	\$ 520,000	\$ 520,000	0.131	\$ 68,311
Periodic Cost (Remedial Action Report)	30	\$ 130,000	\$ 130,000	0.131	\$ 17,078
		\$ 43,925,790			\$ 28,447,784
<b>Alternative 3b</b>					
Capital Cost	0	\$ 19,255,236	\$ 19,255,236	1.000	\$ 19,255,236
Annual O&M Cost	1-30	\$ 32,966,400	\$ 1,098,880	12.409	\$ 13,636,047
Periodic Cost (5-Year Review)	5	\$ 65,000	\$ 65,000	0.713	\$ 46,344
Periodic Cost (5-Year Review)	10	\$ 65,000	\$ 65,000	0.508	\$ 33,043
Periodic Cost (5-Year Review)	15	\$ 65,000	\$ 65,000	0.362	\$ 23,559
Periodic Cost (5-Year Review)	20	\$ 65,000	\$ 65,000	0.258	\$ 16,797
Periodic Cost (5-Year Review)	25	\$ 65,000	\$ 65,000	0.184	\$ 11,976
Periodic Cost (Decommissioning)	30	\$ 715,000	\$ 715,000	0.131	\$ 93,927
Periodic Cost (Remedial Action Report)	30	\$ 130,000	\$ 130,000	0.131	\$ 17,078
		\$ 53,391,636			\$ 33,134,008



**NET PRESENT VALUE ANALYSIS (30 YEARS, 9% AGENCY OVERSIGHT, 2.7% DISCOUNT RATE)  
(LEACHATE/GROUNDWATER SANITARY SEWER DISPOSAL SCENARIO)  
NORTH SANITARY LANDFILL  
DAYTON, OHIO**

<i>Cost Type</i>	<i>Year</i>	<i>Total Cost</i>	<i>Total Cost Per Year</i>	<i>Discount Factor (2.7%)</i>	<i>Present Value</i>
<b>Alternative 2a</b>					
Capital Cost	0	\$ 24,449,950	\$ 24,449,950	1.000	\$ 24,449,950
Annual O&M Cost	1-30	\$ 26,712,750	\$ 890,425	20.383	\$ 18,149,417
Periodic Cost (5-Year Review)	5	\$ 65,000	\$ 65,000	0.875	\$ 56,893
Periodic Cost (5-Year Review)	10	\$ 65,000	\$ 65,000	0.766	\$ 49,798
Periodic Cost (5-Year Review)	15	\$ 65,000	\$ 65,000	0.671	\$ 43,587
Periodic Cost (5-Year Review)	20	\$ 65,000	\$ 65,000	0.587	\$ 38,151
Periodic Cost (5-Year Review)	25	\$ 65,000	\$ 65,000	0.514	\$ 33,393
Periodic Cost (Decommissioning)	30	\$ 520,000	\$ 520,000	0.450	\$ 233,825
Periodic Cost (Remedial Action Report)	30	\$ 130,000	\$ 130,000	0.450	\$ 58,456
		\$ 52,137,700			\$ 43,113,469
<b>Alternative 2b</b>					
Capital Cost	0	\$ 25,966,738	\$ 25,966,738	1.000	\$ 25,966,738
Annual O&M Cost	1-30	\$ 35,164,830	\$ 1,172,161	20.383	\$ 23,892,005
Periodic Cost (5-Year Review)	5	\$ 65,000	\$ 65,000	0.875	\$ 56,893
Periodic Cost (5-Year Review)	10	\$ 65,000	\$ 65,000	0.766	\$ 49,798
Periodic Cost (5-Year Review)	15	\$ 65,000	\$ 65,000	0.671	\$ 43,587
Periodic Cost (5-Year Review)	20	\$ 65,000	\$ 65,000	0.587	\$ 38,151
Periodic Cost (5-Year Review)	25	\$ 65,000	\$ 65,000	0.514	\$ 33,393
Periodic Cost (Decommissioning)	30	\$ 715,000	\$ 715,000	0.450	\$ 321,509
Periodic Cost (Remedial Action Report)	30	\$ 130,000	\$ 130,000	0.450	\$ 58,456
		\$ 62,301,568			\$ 50,460,529
<b>Alternative 3a</b>					
Capital Cost	0	\$ 19,217,697	\$ 19,217,697	1.000	\$ 19,217,697
Annual O&M Cost	1-30	\$ 26,964,300	\$ 898,810	20.383	\$ 18,320,327
Periodic Cost (5-Year Review)	5	\$ 65,000	\$ 65,000	0.875	\$ 56,893
Periodic Cost (5-Year Review)	10	\$ 65,000	\$ 65,000	0.766	\$ 49,798
Periodic Cost (5-Year Review)	15	\$ 65,000	\$ 65,000	0.671	\$ 43,587
Periodic Cost (5-Year Review)	20	\$ 65,000	\$ 65,000	0.587	\$ 38,151
Periodic Cost (5-Year Review)	25	\$ 65,000	\$ 65,000	0.514	\$ 33,393
Periodic Cost (Decommissioning)	30	\$ 520,000	\$ 520,000	0.450	\$ 233,825
Periodic Cost (Remedial Action Report)	30	\$ 130,000	\$ 130,000	0.450	\$ 58,456
		\$ 47,156,997			\$ 38,052,126
<b>Alternative 3b</b>					
Capital Cost	0	\$ 20,734,485	\$ 20,734,485	1.000	\$ 20,734,485
Annual O&M Cost	1-30	\$ 35,416,380	\$ 1,180,546	20.383	\$ 24,062,915
Periodic Cost (5-Year Review)	5	\$ 65,000	\$ 65,000	0.875	\$ 56,893
Periodic Cost (5-Year Review)	10	\$ 65,000	\$ 65,000	0.766	\$ 49,798
Periodic Cost (5-Year Review)	15	\$ 65,000	\$ 65,000	0.671	\$ 43,587
Periodic Cost (5-Year Review)	20	\$ 65,000	\$ 65,000	0.587	\$ 38,151
Periodic Cost (5-Year Review)	25	\$ 65,000	\$ 65,000	0.514	\$ 33,393
Periodic Cost (Decommissioning)	30	\$ 715,000	\$ 715,000	0.450	\$ 321,509
Periodic Cost (Remedial Action Report)	30	\$ 130,000	\$ 130,000	0.450	\$ 58,456
		\$ 57,320,865			\$ 45,399,187

NET PRESENT VALUE ANALYSIS (30 YEARS, 0% AGENCY OVERSIGHT, 7% DISCOUNT RATE)  
 (LEACHATE/GROUNDWATER T&D SCENARIO)  
 NORTH SANITARY LANDFILL  
 DAYTON, OHIO

Cost Type	Year	Total Cost	Total Cost Per Year	Discount Factor (7%)	Present Value
<b>Alternative 2a</b>					
Capital Cost	0	\$ 20,750,826	\$ 20,750,826	1.000	\$ 20,750,826
Annual O&M Cost	1-30	\$ 92,466,060	\$ 3,082,202	12.409	\$ 38,247,172
Periodic Cost (5-Year Review)	5	\$ 65,000	\$ 65,000	0.713	\$ 46,344
Periodic Cost (5-Year Review)	10	\$ 65,000	\$ 65,000	0.508	\$ 33,043
Periodic Cost (5-Year Review)	15	\$ 65,000	\$ 65,000	0.362	\$ 23,559
Periodic Cost (5-Year Review)	20	\$ 65,000	\$ 65,000	0.258	\$ 16,797
Periodic Cost (5-Year Review)	25	\$ 65,000	\$ 65,000	0.184	\$ 11,976
Periodic Cost (Decommissioning)	30	\$ 520,000	\$ 520,000	0.131	\$ 68,311
Periodic Cost (Remedial Action Report)	30	\$ 130,000	\$ 130,000	0.131	\$ 17,078
		\$ 114,191,886			\$ 59,215,105
<b>Alternative 2b</b>					
Capital Cost	0	\$ 21,284,697	\$ 21,284,697	1.000	\$ 21,284,697
Annual O&M Cost	1-30	\$ 195,658,170	\$ 6,521,939	12.409	\$ 80,931,010
Periodic Cost (5-Year Review)	5	\$ 65,000	\$ 65,000	0.713	\$ 46,344
Periodic Cost (5-Year Review)	10	\$ 65,000	\$ 65,000	0.508	\$ 33,043
Periodic Cost (5-Year Review)	15	\$ 65,000	\$ 65,000	0.362	\$ 23,559
Periodic Cost (5-Year Review)	20	\$ 65,000	\$ 65,000	0.258	\$ 16,797
Periodic Cost (5-Year Review)	25	\$ 65,000	\$ 65,000	0.184	\$ 11,976
Periodic Cost (Decommissioning)	30	\$ 715,000	\$ 715,000	0.131	\$ 93,927
Periodic Cost (Remedial Action Report)	30	\$ 130,000	\$ 130,000	0.131	\$ 17,078
		\$ 218,112,867			\$ 102,458,431
<b>Alternative 3a</b>					
Capital Cost	0	\$ 15,892,305	\$ 15,892,305	1.000	\$ 15,892,305
Annual O&M Cost	1-30	\$ 109,684,710	\$ 3,656,157	12.409	\$ 45,369,403
Periodic Cost (5-Year Review)	5	\$ 65,000	\$ 65,000	0.713	\$ 46,344
Periodic Cost (5-Year Review)	10	\$ 65,000	\$ 65,000	0.508	\$ 33,043
Periodic Cost (5-Year Review)	15	\$ 65,000	\$ 65,000	0.362	\$ 23,559
Periodic Cost (5-Year Review)	20	\$ 65,000	\$ 65,000	0.258	\$ 16,797
Periodic Cost (5-Year Review)	25	\$ 65,000	\$ 65,000	0.184	\$ 11,976
Periodic Cost (Decommissioning)	30	\$ 520,000	\$ 520,000	0.131	\$ 68,311
Periodic Cost (Remedial Action Report)	30	\$ 130,000	\$ 130,000	0.131	\$ 17,078
		\$ 126,552,015			\$ 61,478,816
<b>Alternative 3b</b>					
Capital Cost	0	\$ 16,426,176	\$ 16,426,176	1.000	\$ 16,426,176
Annual O&M Cost	1-30	\$ 212,876,820	\$ 7,095,894	12.409	\$ 88,053,241
Periodic Cost (5-Year Review)	5	\$ 65,000	\$ 65,000	0.713	\$ 46,344
Periodic Cost (5-Year Review)	10	\$ 65,000	\$ 65,000	0.508	\$ 33,043
Periodic Cost (5-Year Review)	15	\$ 65,000	\$ 65,000	0.362	\$ 23,559
Periodic Cost (5-Year Review)	20	\$ 65,000	\$ 65,000	0.258	\$ 16,797
Periodic Cost (5-Year Review)	25	\$ 65,000	\$ 65,000	0.184	\$ 11,976
Periodic Cost (Decommissioning)	30	\$ 715,000	\$ 715,000	0.131	\$ 93,927
Periodic Cost (Remedial Action Report)	30	\$ 130,000	\$ 130,000	0.131	\$ 17,078
		\$ 230,472,996			\$ 104,722,141

**NET PRESENT VALUE ANALYSIS (30 YEARS, 9% AGENCY OVERSIGHT, 2.7% DISCOUNT RATE)  
(LEACHATE/GROUNDWATER T&D SCENARIO)  
NORTH SANITARY LANDFILL  
DAYTON, OHIO**

<i>Cost Type</i>	<i>Year</i>	<i>Total Cost</i>	<i>Total Cost Per Year</i>	<i>Discount Factor (2.7%)</i>	<i>Present Value</i>
<b>Alternative 2a</b>					
Capital Cost	0	\$ 22,345,120	\$ 22,345,120	1.000	\$ 22,345,120
Annual O&M Cost	1-30	\$ 99,378,510	\$ 3,312,617	20.383	\$ 67,520,640
Periodic Cost (5-Year Review)	5	\$ 65,000	\$ 65,000	0.875	\$ 56,893
Periodic Cost (5-Year Review)	10	\$ 65,000	\$ 65,000	0.766	\$ 49,798
Periodic Cost (5-Year Review)	15	\$ 65,000	\$ 65,000	0.671	\$ 43,587
Periodic Cost (5-Year Review)	20	\$ 65,000	\$ 65,000	0.587	\$ 38,151
Periodic Cost (5-Year Review)	25	\$ 65,000	\$ 65,000	0.514	\$ 33,393
Periodic Cost (Decommissioning)	30	\$ 520,000	\$ 520,000	0.450	\$ 233,825
Periodic Cost (Remedial Action Report)	30	\$ 130,000	\$ 130,000	0.450	\$ 58,456
		\$ 122,698,630			\$ 90,379,862
<b>Alternative 2b</b>					
Capital Cost	0	\$ 22,920,058	\$ 22,920,058	1.000	\$ 22,920,058
Annual O&M Cost	1-30	\$ 210,310,050	\$ 7,010,335	20.383	\$ 142,890,744
Periodic Cost (5-Year Review)	5	\$ 65,000	\$ 65,000	0.875	\$ 56,893
Periodic Cost (5-Year Review)	10	\$ 65,000	\$ 65,000	0.766	\$ 49,798
Periodic Cost (5-Year Review)	15	\$ 65,000	\$ 65,000	0.671	\$ 43,587
Periodic Cost (5-Year Review)	20	\$ 65,000	\$ 65,000	0.587	\$ 38,151
Periodic Cost (5-Year Review)	25	\$ 65,000	\$ 65,000	0.514	\$ 33,393
Periodic Cost (Decommissioning)	30	\$ 715,000	\$ 715,000	0.450	\$ 321,509
Periodic Cost (Remedial Action Report)	30	\$ 130,000	\$ 130,000	0.450	\$ 58,456
		\$ 234,400,108			\$ 166,412,588
<b>Alternative 3a</b>					
Capital Cost	0	\$ 17,112,867	\$ 17,112,867	1.000	\$ 17,112,867
Annual O&M Cost	1-30	\$ 117,888,570	\$ 3,929,619	20.383	\$ 80,096,911
Periodic Cost (5-Year Review)	5	\$ 65,000	\$ 65,000	0.875	\$ 56,893
Periodic Cost (5-Year Review)	10	\$ 65,000	\$ 65,000	0.766	\$ 49,798
Periodic Cost (5-Year Review)	15	\$ 65,000	\$ 65,000	0.671	\$ 43,587
Periodic Cost (5-Year Review)	20	\$ 65,000	\$ 65,000	0.587	\$ 38,151
Periodic Cost (5-Year Review)	25	\$ 65,000	\$ 65,000	0.514	\$ 33,393
Periodic Cost (Decommissioning)	30	\$ 520,000	\$ 520,000	0.450	\$ 233,825
Periodic Cost (Remedial Action Report)	30	\$ 130,000	\$ 130,000	0.450	\$ 58,456
		\$ 135,976,437			\$ 97,723,881
<b>Alternative 3b</b>					
Capital Cost	0	\$ 17,687,805	\$ 17,687,805	1.000	\$ 17,687,805
Annual O&M Cost	1-30	\$ 228,820,080	\$ 7,627,336	20.383	\$ 155,466,995
Periodic Cost (5-Year Review)	5	\$ 65,000	\$ 65,000	0.875	\$ 56,893
Periodic Cost (5-Year Review)	10	\$ 65,000	\$ 65,000	0.766	\$ 49,798
Periodic Cost (5-Year Review)	15	\$ 65,000	\$ 65,000	0.671	\$ 43,587
Periodic Cost (5-Year Review)	20	\$ 65,000	\$ 65,000	0.587	\$ 38,151
Periodic Cost (5-Year Review)	25	\$ 65,000	\$ 65,000	0.514	\$ 33,393
Periodic Cost (Decommissioning)	30	\$ 715,000	\$ 715,000	0.450	\$ 321,509
Periodic Cost (Remedial Action Report)	30	\$ 130,000	\$ 130,000	0.450	\$ 58,456
		\$ 247,677,885			\$ 173,756,586

SUMMARY OF ESTIMATED CAPITAL, ANNUAL O&M, AND PERIODIC COSTS  
(LEACHATE/GROUNDWATER SANITARY SEWER DISPOSAL SCENARIO, 0% AGENCY OVERSIGHT)  
NORTH SANITARY LANDFILL  
DAYTON, OHIO

Environmental Media	Alternative No.:	2a	2b	3a	3b
	Disposal Area 1, 2, 3, 5 Cap:	SW Cap	SW Cap	Alternate SW Cap	Alternate SW Cap
	Groundwater:	Monitoring	Extraction	Monitoring	Extraction
Process Options					

**CAPITAL COSTS**

Waste and OPBWA Soil	Disposal Area 4 Waste Relocation	\$1,537,080	\$1,537,080	\$1,537,080	\$1,537,080
	Disposal Area 4 Post-Excavation Sampling	\$25,000	\$25,000	\$25,000	\$25,000
	OPBWA Waste and Soil Consolidation	\$7,650	\$7,650	\$7,650	\$7,650
	OPBWA Post-Excavation Sampling	\$2,000	\$2,000	\$2,000	\$2,000
	Cap Disposal Areas 1, 2, 3, 5	\$9,840,217	\$9,840,217	\$6,645,923	\$6,645,923
	Stormwater Management Facilities	\$250,000	\$250,000	\$250,000	\$250,000
	Valleycrest Drive Re-Opening	\$180,750	\$180,750	\$180,750	\$180,750
NAPL	Recovery Systems at NSL-54L and NSL-55L	\$25,000	\$25,000	\$25,000	\$25,000
Leachate	Extraction System	\$794,750	\$794,750	\$794,750	\$794,750
	Pretreatment System	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000
	Sanitary Sewer Tie-In and Capacity Sensor	\$35,000	\$35,000	\$35,000	\$35,000
Landfill Gas	Collection and Monitoring System	\$764,000	\$764,000	\$764,000	\$764,000
	Energy Recovery Devices	not included	not included	not included	not included
Groundwater	Monitoring Network Expansion	\$150,000	\$150,000	\$150,000	\$150,000
	Extraction System	not included	\$276,000	not included	\$276,000
	Pretreatment System (incremental to leachate)	not included	\$650,000	not included	\$650,000
	Subtotal Capital Cost:	\$14,911,447	\$15,837,447	\$11,717,153	\$12,643,153
	Contingency (30%):	\$4,473,434	\$4,751,234	\$3,515,146	\$3,792,946
	Subtotal:	\$19,384,881	\$20,588,681	\$15,232,299	\$16,436,099
	Professional/Technical Services - Project Management (5%):	\$969,244	\$1,029,434	\$761,615	\$821,805
	Professional/Technical Services - Remedial Design (6%):	\$1,163,093	\$1,235,321	\$913,938	\$986,166
	Professional/Technical Services - Construction Management (6%):	\$1,163,093	\$1,235,321	\$913,938	\$986,166
	Institutional Controls:	\$25,000	\$25,000	\$25,000	\$25,000
	<b>Total Capital Cost:</b>	<b>\$22,705,311</b>	<b>\$24,113,757</b>	<b>\$17,846,790</b>	<b>\$19,253,236</b>

**ANNUAL O&M COSTS**

Waste	Cap	\$25,000	\$25,000	\$25,000	\$25,000
	Stormwater Management Facilities	\$25,000	\$25,000	\$25,000	\$25,000
NAPL	Monitoring/Removal	\$5,000	\$5,000	\$5,000	\$5,000
Leachate	Extraction System	\$50,000	\$50,000	\$50,000	\$50,000
	Pretreatment System	\$150,000	\$150,000	\$150,000	\$150,000
	Off-Site Disposal	\$35,000	\$35,000	\$40,000	\$40,000
Landfill Gas	Collection and Flaring	\$50,000	\$50,000	\$50,000	\$50,000
	Monitoring	\$25,000	\$25,000	\$25,000	\$25,000
Groundwater	Extraction System	not included	\$50,000	not included	\$50,000
	Pretreatment System (incremental to leachate)	not included	\$75,000	not included	\$75,000
	Off-Site Disposal	not included	\$43,000	not included	\$43,000
	Monitoring	\$150,000	\$150,000	\$150,000	\$150,000
	Monitoring Well Maintenance	\$10,000	\$10,000	\$10,000	\$10,000
	Subtotal Annual O&M Cost:	\$625,000	\$693,000	\$530,000	\$698,000
	Contingency (30%):	\$187,500	\$207,900	\$159,000	\$209,400
	Subtotal:	\$812,500	\$900,900	\$689,000	\$907,400
	Professional/Technical Services - Project Management (5%):	\$40,625	\$45,045	\$34,450	\$45,370
	Professional/Technical Services - O&M Technical Support (15%):	\$102,375	\$135,135	\$103,350	\$136,110
	Institutional Controls:	\$10,000	\$10,000	\$10,000	\$10,000
	<b>Total Annual O&amp;M Cost:</b>	<b>\$965,500</b>	<b>\$1,091,080</b>	<b>\$836,800</b>	<b>\$1,098,880</b>

**PERIODIC COSTS<sup>1</sup>**

Leachate	Extraction/Pretreatment System Decommissioning	\$150,000	\$150,000	\$150,000	\$150,000
Landfill Gas	Collection System Decommissioning	\$100,000	\$100,000	\$100,000	\$100,000
	Monitoring Network Decommissioning	\$50,000	\$50,000	\$50,000	\$50,000
Groundwater	Extraction System Decommissioning	not included	\$150,000	not included	\$150,000
	Monitoring Network Decommissioning	\$100,000	\$100,000	\$100,000	\$100,000
	Subtotal Decommissioning Cost:	\$400,000	\$550,000	\$400,000	\$550,000
	Contingency (30%):	\$120,000	\$165,000	\$120,000	\$165,000
	Subtotal:	\$520,000	\$715,000	\$520,000	\$715,000
Various	5-Year Reviews	\$65,000	\$65,000	\$65,000	\$65,000
Various	Remedial Action Report	\$130,000	\$130,000	\$130,000	\$130,000

**Notes**

<sup>1</sup>Decommissioning and Remedial Action Report costs occur at Year 30. 5-Year review costs occur at Years 5, 10, 15, 20, and 25. Includes 30% contingency.

**SUMMARY OF ESTIMATED CAPITAL, ANNUAL O&M, AND PERIODIC COSTS  
(LEACHATE/GROUNDWATER SANITARY SEWER DISPOSAL SCENARIO, 9% AGENCY OVERSIGHT)  
NORTH SANITARY LANDFILL  
DAYTON, OHIO**

Environmental Media	Alternative No.:	2a	2b	3a	3b
	Disposal Area 1, 2, 3, 5 Cap:	SW Cap	SW Cap	Alternate SW Cap	Alternate SW Cap
	Groundwater:	Monitoring	Extraction	Monitoring	Extraction
<b>Process Options</b>					

**CAPITAL COSTS**

Waste and OPBWA Soil	Disposal Area 4 Waste Relocation	\$1,537,080	\$1,537,080	\$1,537,080	\$1,537,080
	Disposal Area 4 Post-Excavation Sampling	\$25,000	\$25,000	\$25,000	\$25,000
	OPBWA Waste and Soil Consolidation	\$7,650	\$7,650	\$7,650	\$7,650
	OPBWA Post-Excavation Sampling	\$2,000	\$2,000	\$2,000	\$2,000
	Cap Disposal Areas 1, 2, 3, 5	\$9,840,217	\$9,840,217	\$6,645,923	\$6,645,923
	Stormwater Management Facilities	\$250,000	\$250,000	\$250,000	\$250,000
	Valleycrest Drive Re-Opening	\$180,750	\$180,750	\$180,750	\$180,750
NAPL	Recovery Systems at NSL-54L and NSL-55L	\$25,000	\$25,000	\$25,000	\$25,000
Leachate	Extraction System	\$794,750	\$794,750	\$794,750	\$794,750
	Pretreatment System	\$1,300,000	\$1,300,000	\$1,300,000	\$1,300,000
	Sanitary Sewer Tie-In and Capacity Sensor	\$35,000	\$35,000	\$35,000	\$35,000
Landfill Gas	Collection and Monitoring System	\$764,000	\$764,000	\$764,000	\$764,000
	Energy Recovery Devices	not included	not included	not included	not included
Groundwater	Monitoring Network Expansion	\$150,000	\$150,000	\$150,000	\$150,000
	Extraction System	not included	\$276,000	not included	\$276,000
	Pretreatment System (incremental to leachate)	not included	\$650,000	not included	\$650,000
	Subtotal Capital Cost:	\$14,911,447	\$15,837,447	\$11,717,153	\$12,643,153
	Contingency (30%):	\$4,473,434	\$4,751,234	\$3,515,146	\$3,792,946
	Subtotal:	\$19,384,881	\$20,588,681	\$15,232,299	\$16,436,099
	Professional/Technical Services - Project Management (5%):	\$969,244	\$1,029,434	\$761,615	\$821,805
	Professional/Technical Services - Remedial Design (6%):	\$1,163,093	\$1,235,321	\$913,938	\$986,166
	Professional/Technical Services - Construction Management (6%):	\$1,163,093	\$1,235,321	\$913,938	\$986,166
	Institutional Controls:	\$25,000	\$25,000	\$25,000	\$25,000
	<b>Total Capital Cost:</b>	<b>\$24,449,950</b>	<b>\$25,966,738</b>	<b>\$19,217,697</b>	<b>\$20,734,485</b>

**ANNUAL O&M COSTS**

Waste	Cap	\$25,000	\$25,000	\$25,000	\$25,000
	Stormwater Management Facilities	\$25,000	\$25,000	\$25,000	\$25,000
NAPL	Monitoring/Removal	\$5,000	\$5,000	\$5,000	\$5,000
Leachate	Extraction System	\$50,000	\$50,000	\$50,000	\$50,000
	Pretreatment System	\$150,000	\$150,000	\$150,000	\$150,000
	Off-Site Disposal	\$35,000	\$35,000	\$40,000	\$40,000
Landfill Gas	Collection and Flaring	\$50,000	\$50,000	\$50,000	\$50,000
	Monitoring	\$25,000	\$25,000	\$25,000	\$25,000
Groundwater	Extraction System	not included	\$50,000	not included	\$50,000
	Pretreatment System (incremental to leachate)	not included	\$75,000	not included	\$75,000
	Off-Site Disposal	not included	\$43,000	not included	\$43,000
	Monitoring	\$150,000	\$150,000	\$150,000	\$150,000
	Monitoring Well Maintenance	\$10,000	\$10,000	\$10,000	\$10,000
	Subtotal Annual O&M Cost:	\$525,000	\$693,000	\$530,000	\$698,000
	Contingency (30%):	\$157,500	\$207,900	\$159,000	\$209,400
	Subtotal:	\$682,500	\$900,900	\$689,000	\$907,400
	Professional/Technical Services - Project Management (5%):	\$34,125	\$45,045	\$34,450	\$45,370
	Professional/Technical Services - O&M Technical Support (15%):	\$102,375	\$135,135	\$103,350	\$136,110
	Institutional Controls:	\$10,000	\$10,000	\$10,000	\$10,000
	<b>Total Annual O&amp;M Cost:</b>	<b>\$890,425</b>	<b>\$1,172,161</b>	<b>\$896,810</b>	<b>\$1,180,546</b>

**PERIODIC COSTS<sup>1</sup>**

Leachate	Extraction/Pretreatment System Decommissioning	\$150,000	\$150,000	\$150,000	\$150,000
Landfill Gas	Collection System Decommissioning	\$100,000	\$100,000	\$100,000	\$100,000
	Monitoring Network Decommissioning	\$50,000	\$50,000	\$50,000	\$50,000
Groundwater	Extraction System Decommissioning	not included	\$150,000	not included	\$150,000
	Monitoring Network Decommissioning	\$100,000	\$100,000	\$100,000	\$100,000
	Subtotal Decommissioning Cost:	\$400,000	\$550,000	\$400,000	\$550,000
	Contingency (30%):	\$120,000	\$165,000	\$120,000	\$165,000
	Subtotal:	\$520,000	\$715,000	\$520,000	\$715,000
Various	5-Year Reviews	\$65,000	\$65,000	\$65,000	\$65,000
Various	Remedial Action Report	\$130,000	\$130,000	\$130,000	\$130,000

**Notes**

<sup>1</sup>Decommissioning and Remedial Action Report costs occur at Year 30. 5-Year review costs occur at Years 5, 10, 15, 20, and 25. Includes 30% contingency.

**SUMMARY OF ESTIMATED CAPITAL, ANNUAL O&M, AND PERIODIC COSTS  
(LEACHATE/GROUNDWATER T&D SCENARIO, 0% AGENCY OVERSIGHT)  
NORTH SANITARY LANDELL  
DAYTON, OHIO**

	Alternative No.:	2a	2b	3a	3b
	Disposal Area 1, 2, 3, 5 Cap:	SW Cap	SW Cap	Alternate SW Cap	Alternate SW Cap
	Groundwater:	Monitoring	Extraction	Monitoring	Extraction
<b>Environmental Media</b>	<b>Process Options</b>				

**CAPITAL COSTS**

<b>Waste and OPBWA Soil</b>	Disposal Area 4 Waste Relocation	\$1,537,080	\$1,537,080	\$1,537,080	\$1,537,080
	Disposal Area 4 Post-Excavation Sampling	\$25,000	\$25,000	\$25,000	\$25,000 <sup>1</sup>
	OPBWA Waste and Soil Consolidation	\$7,650	\$7,650	\$7,650	\$7,650
	OPBWA Post-Excavation Sampling	\$2,000	\$2,000	\$2,000	\$2,000
	Cap Disposal Areas 1, 2, 3, 5	\$9,840,217	\$9,840,217	\$6,645,923	\$6,645,923
	Stormwater Management Facilities	\$250,000	\$250,000	\$250,000	\$250,000
	Valleycrest Drive Re-Opening	\$180,750	\$180,750	\$180,750	\$180,750
	<b>NAPL</b>	Recovery Systems at NSL-54L and NSL-55L	\$25,000	\$25,000	\$25,000
<b>Leachate</b>	Extraction System	\$794,750	\$794,750	\$794,750	\$794,750
	Collection Tank	\$50,000	\$50,000	\$50,000	\$50,000
<b>Landfill Gas</b>	Collection and Monitoring System	\$764,000	\$764,000	\$764,000	\$764,000
	Energy Recovery Devices	not included	not included	not included	not included
<b>Groundwater</b>	Monitoring Network Expansion	\$150,000	\$150,000	\$150,000	\$150,000
	Extraction System	not included	\$276,000	not included	\$276,000
	Collection Tank (incremental to leachate)	not included	\$75,000	not included	\$75,000
Subtotal Capital Cost:		\$13,626,447	\$13,977,447	\$10,432,153	\$10,783,153
Contingency (30%):		\$4,087,934	\$4,193,234	\$3,129,646	\$3,234,946
Subtotal:		\$17,714,381	\$18,170,681	\$13,561,799	\$14,018,099
Professional/Technical Services - Project Management (5%):		\$885,719	\$908,534	\$678,090	\$700,905
Professional/Technical Services - Remedial Design (6%):		\$1,062,863	\$1,090,241	\$813,708	\$841,086
Professional/Technical Services - Construction Management (6%):		\$1,062,863	\$1,090,241	\$813,708	\$841,086
Institutional Controls:		\$25,000	\$25,000	\$25,000	\$25,000
<b>Total Capital Cost:</b>		<b>\$20,750,826</b>	<b>\$21,284,697</b>	<b>\$15,892,305</b>	<b>\$16,426,176</b>

**ANNUAL O&M COSTS**

<b>Waste</b>	Cap	\$25,000	\$25,000	\$25,000	\$25,000
	Stormwater Management Facilities	\$25,000	\$25,000	\$25,000	\$25,000
<b>NAPL</b>	Monitoring/Removal	\$5,000	\$5,000	\$5,000	\$5,000
<b>Leachate</b>	Extraction System	\$50,000	\$50,000	\$50,000	\$50,000
	Off-Site T&D	\$1,629,360	\$1,629,360	\$1,997,280	\$1,997,280
<b>Landfill Gas</b>	Collection and Flaring	\$50,000	\$50,000	\$50,000	\$50,000
	Monitoring	\$25,000	\$25,000	\$25,000	\$25,000
<b>Groundwater</b>	Extraction System	not included	\$50,000	not included	\$50,000
	Off-Site T&D	not included	\$2,154,960	not included	\$2,154,960
	Monitoring	\$150,000	\$150,000	\$150,000	\$150,000
	Monitoring Well Maintenance	\$10,000	\$10,000	\$10,000	\$10,000
Subtotal Annual O&M Cost:		\$1,969,360	\$4,174,320	\$2,337,280	\$4,542,240
Contingency (30%):		\$590,808	\$1,252,296	\$701,184	\$1,362,672
Subtotal:		\$2,560,168	\$5,426,616	\$3,038,464	\$5,904,912
Professional/Technical Services - Project Management (5%):		\$128,008	\$271,331	\$151,923	\$295,246
Professional/Technical Services - O&M Technical Support (15%):		\$384,025	\$813,992	\$455,770	\$885,737
Institutional Controls:		\$10,000	\$10,000	\$10,000	\$10,000
<b>Total Annual O&amp;M Cost:</b>		<b>\$3,082,202</b>	<b>\$6,521,939</b>	<b>\$3,656,157</b>	<b>\$7,095,894</b>

**PERIODIC COSTS<sup>1</sup>**

<b>Leachate</b>	Extraction/Tank System Decommissioning	\$150,000	\$150,000	\$150,000	\$150,000
<b>Landfill Gas</b>	Collection System Decommissioning	\$100,000	\$100,000	\$100,000	\$100,000
	Monitoring Network Decommissioning	\$50,000	\$50,000	\$50,000	\$50,000
<b>Groundwater</b>	Extraction System Decommissioning	not included	\$150,000	not included	\$150,000
	Monitoring Network Decommissioning	\$100,000	\$100,000	\$100,000	\$100,000
Subtotal Decommissioning Cost		\$400,000	\$550,000	\$400,000	\$550,000
Contingency (30%):		\$120,000	\$165,000	\$120,000	\$165,000
Subtotal:		\$520,000	\$715,000	\$520,000	\$715,000
<b>Various</b>	5-Year Reviews	\$65,000	\$65,000	\$65,000	\$65,000
<b>Various</b>	Remedial Action Report	\$130,000	\$130,000	\$130,000	\$130,000

**Notes**

<sup>1</sup>Decommissioning and Remedial Action Report costs occur at Year 30. 5-Year review costs occur at Years 5, 10, 15, 20, and 25. Includes 30% contingency.

**SUMMARY OF ESTIMATED CAPITAL ANNUAL O&M AND PERIODIC COSTS  
(LEACHATE/GROUNDWATER T&D SCENARIO, 9% AGENCY OVERSIGHT)  
NORTH SANITARY LANDFILL  
DAYTON, OHIO**

Environmental Media	Process Options	Alternative No.:	2a	2b	3a	3b
		Disposal Area 1, 2, 3, 5 Cap:	SW Cap	SW Cap	Alternate SW Cap	Alternate SW Cap
		Groundwater:	Monitoring	Extraction	Monitoring	Extraction

**CAPITAL COSTS**

Waste and OPBWA Soil	Disposal Area 4 Waste Relocation	\$1,537,080	\$1,537,080	\$1,537,080	\$1,537,080
	Disposal Area 4 Post-Excavation Sampling	\$25,000	\$25,000	\$25,000	\$25,000
	OPBWA Waste and Soil Consolidation	\$7,650	\$7,650	\$7,650	\$7,650
	OPBWA Post-Excavation Sampling	\$2,000	\$2,000	\$2,000	\$2,000
	Cap Disposal Areas 1, 2, 3, 5	\$9,840,217	\$9,840,217	\$6,645,923	\$6,645,923
	Stormwater Management Facilities	\$250,000	\$250,000	\$250,000	\$250,000
	Valleycrest Drive Re-Opening	\$180,750	\$180,750	\$180,750	\$180,750
NAPL	Recovery Systems at NSL-54L and NSL-55L	\$25,000	\$25,000	\$25,000	\$25,000
Leachate	Extraction System	\$794,750	\$794,750	\$794,750	\$794,750
	Collection Tank	\$50,000	\$50,000	\$50,000	\$50,000
Landfill Gas	Collection and Monitoring System	\$764,000	\$764,000	\$764,000	\$764,000
	Energy Recovery Devices	not included	not included	not included	not included
Groundwater	Monitoring Network Expansion	\$150,000	\$150,000	\$150,000	\$150,000
	Extraction System	not included	\$276,000	not included	\$276,000
	Collection Tank (Incremental to leachate)	not included	\$75,000	not included	\$75,000
Subtotal Capital Cost:		\$13,626,447	\$13,977,447	\$10,432,153	\$10,783,153
Contingency (30%):		\$4,087,934	\$4,193,234	\$3,129,646	\$3,234,946
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Professional/Technical Services - Construction Management (6%):		\$1,062,863	\$1,090,241	\$813,708	\$841,086
Institutional Controls:		\$25,000	\$25,000	\$25,000	\$25,000
Total Capital Cost:		\$22,345,120	\$22,920,058	\$17,112,867	\$17,687,805

**ANNUAL O&M COSTS**

Waste	Cap	\$25,000	\$25,000	\$25,000	\$25,000
	Stormwater Management Facilities	\$25,000	\$25,000	\$25,000	\$25,000
NAPL	Monitoring/Removal	\$5,000	\$5,000	\$5,000	\$5,000
Leachate	Extraction System	\$50,000	\$50,000	\$50,000	\$50,000
	Off-Site T&D	\$1,629,360	\$1,629,360	\$1,997,280	\$1,997,280
Landfill Gas	Collection and Flaring	\$50,000	\$50,000	\$50,000	\$50,000
	Monitoring	\$25,000	\$25,000	\$25,000	\$25,000
Groundwater	Extraction System	not included	\$50,000	not included	\$50,000
	Off-Site T&D	not included	\$2,154,960	not included	\$2,154,960
	Monitoring	\$150,000	\$150,000	\$150,000	\$150,000
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Professional/Technical Services - O&M Technical Support (15%):		\$384,025	\$813,992	\$455,770	\$885,737
Institutional Controls:		\$10,000	\$10,000	\$10,000	\$10,000
Total Annual O&M Cost:		\$3,312,617	\$7,010,335	\$3,929,619	\$7,627,336

**PERIODIC COSTS<sup>1</sup>**

Leachate	Extraction/Tank System Decommissioning	\$150,000	\$150,000	\$150,000	\$150,000
Landfill Gas	Collection System Decommissioning	\$100,000	\$100,000	\$100,000	\$100,000
	Monitoring Network Decommissioning	\$50,000	\$50,000	\$50,000	\$50,000
Groundwater	Extraction System Decommissioning	not included	\$150,000	not included	\$150,000
	Monitoring Network Decommissioning	\$100,000	\$100,000	\$100,000	\$100,000
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**Notes**

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## Maarsen, Yolande

**From:** Stamp, Vince  
**Sent:** Friday, January 14, 2011 3:51 PM  
**To:** Maarsen, Yolande  
**Subject:** FW: Valleycrest - Draft Responses to Comments and FS Report

ACC

**From:** Shoemaker, James [mailto:James.Shoemaker@daytonohio.gov]  
**Sent:** Friday, January 14, 2011 3:39 PM  
**To:** jbuyers@croworld.com; mikes@demaximis.com  
**Cc:** Scott DuBoff; Simmons, Michele  
**Subject:** RE: Valleycrest - Draft Responses to Comments and FS Report

John and Mike,

Michelle Simmons and I have reviewed the revised FS report and response letter to OEPA that accompanied John's January 12 email. At several points the response letter states (Response to General Comment #6, Response to Specific Comment #38, etc.) that Section 4.1 of the FS report has been revised to refer to "pretreatment and discharge to an on-site infiltration impoundment or infiltration gallery" as contingent disposal options for extracted leachate and groundwater. Please note that such infiltration structures are not acceptable alternatives for management of extracted leachate and groundwater at the Valleycrest site given its very close proximity to Dayton's primary well fields (as an aside, I should also note that the language in question appears in the FS report, Section 4.1.2a, p. 54, as previously-existing discussion rather than revised language). Needless to say, Michelle and I are available to discuss this matter with you, and please call either of us with any questions.

Regards,  
Jim

Jim Shoemaker, Hydrogeologist  
Dayton Dept. of Water  
320 W. Monument Avenue  
Dayton, OH 45402  
Phone: (937) 333-3727  
Fax: (937) 333-2833  
E-Mail: jim.shoemaker@cityofdayton.org

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## Maarsen, Yolande

**From:** Stamp, Vince  
**Sent:** Friday, January 14, 2011 3:51 PM  
**To:** Maarsen, Yolande  
**Subject:** FW: Valleycrest - Draft Responses to Comments and FS Report

ARC

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**Sent:** Friday, January 14, 2011 3:39 PM  
**To:** jbuyers@croworld.com; mikes@demaximis.com  
**Cc:** Scott DuBoff; Simmons, Michele  
**Subject:** RE: Valleycrest - Draft Responses to Comments and FS Report

John and Mike,

Michelle Simmons and I have reviewed the revised FS report and response letter to OEPA that accompanied John's January 12 email. At several points the response letter states (Response to General Comment #6, Response to Specific Comment #38, etc.) that Section 4.1 of the FS report has been revised to refer to "pretreatment and discharge to an on-site infiltration impoundment or infiltration gallery" as contingent disposal options for extracted leachate and groundwater. Please note that such infiltration structures are not acceptable alternatives for management of extracted leachate and groundwater at the Valleycrest site given its very close proximity to Dayton's primary well fields (as an aside, I should also note that the language in question appears in the FS report, Section 4.1.2a, p. 54, as previously-existing discussion rather than revised language). Needless to say, Michelle and I are available to discuss this matter with you, and please call either of us with any questions.

Regards,  
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**SETTLEMENT AGREEMENT**

This Agreement is made and entered into on this 4<sup>th</sup> day of ~~October~~<sup>November</sup>, 2002, by and among General Motors Corporation ("GM"), Kelsey-Hayes Company ("Kelsey-Hayes") and TRW Inc. ("TRW").

**RECITALS**

WHEREAS, GM, Kelsey-Hayes (as the corporate successor to Dayton Walther) and TRW (through its former Globe Motors division) have been identified as parties that may have liability under the Comprehensive Environmental Response, Compensation and Liability Act, as amended, 42 U.S.C. §§ 9601, et seq. ("CERCLA"), the Ohio Hazardous Waste Management Act, as amended, ORC §§ 3734 et seq., ("Ohio Superfund"), and other legal authorities in connection with the alleged arrangement for disposal of substances that are or may be regulated by any federal, state or local statute, rule, regulation, or decision of any administrative agency or court, including, without limitation, CERCLA and Ohio Superfund ("Hazardous Substances"), at and from Valleycrest/North Sanitary Landfill Superfund Site in Dayton, Ohio (the "Valleycrest Site"), including any contiguous off-site areas impacted by the Valleycrest Site; and

WHEREAS, GM and other parties, including TRW and Kelsey-Hayes, are currently funding certain response activities required at the Valleycrest Site, where a removal action is underway and a remedial investigation/feasibility study is also ongoing; and

WHEREAS, GM, Kelsey-Hayes and TRW believe that, to the extent provided by this Agreement, it is in their mutual best interests to reach agreement between themselves with regard to certain responsibilities and potential liabilities relating to the Valleycrest Site, as more specifically defined below; and

WHEREAS, GM, Kelsey-Hayes and TRW acknowledge and agree that the terms of this Agreement represent a good-faith settlement and compromise of disputed claims with respect to the matters addressed herein, negotiated at arms-length, and that this settlement represents a fair, reasonable, and equitable resolution of the matters among the parties hereto.

NOW, THEREFORE, in consideration of the foregoing and the mutual undertakings set forth in this Agreement, and other good and valuable consideration contained herein, the parties hereto represent, warrant, and agree as follows:

### **OBLIGATIONS**

1. Covered Matters. This Agreement addresses and settles those liabilities and potential liabilities collectively referred to hereinafter as "Covered Matters" and defined as follows:

- a. Except as provided herein, all liabilities, remedies, claims, duties, obligations, costs (including any claim for past costs), or penalties that Globe Motors, Dayton Walther and/or GM may or could have with respect to environmental conditions at, emanating from, or related to the Valleycrest Site and/or any agreement(s) other than this Settlement Agreement entered into by TRW or Kelsey-Hayes and GM relating to the Valleycrest Site and which liabilities, remedies, claims, duties, obligations, costs (including any claim for past costs), or penalties are created under or by CERCLA, Ohio Superfund, the Resource Conservation and Recovery Act; 42 USC. §§6901, et seq. ("RCRA"), or common law.
- b. "Covered Matters" does not include any claims for natural resource damages that may be brought pursuant to statute by a federal natural resources trustee or

designee, or their assignees, or any private toxic tort claims, relating to the Valleycrest site.

2. Definition of Site. The Valleycrest Site means the former landfill located at 200 Valleycrest Drive in Dayton, Ohio (also known as the North Sanitary Landfill site), being approximately 100 acres in size in the aggregate, but also including any and all contiguous offsite areas impacted by the landfill, as placed on the NPL by EPA.

3. Release of TRW and Kelsey-Hayes. GM and its successors and assigns hereby release and forever discharge TRW and Kelsey-Hayes and their shareholders, officers, directors, employees, agents, successors and assigns, of and from any and all actions, courses of action, sums, sums of money, accounts, reckonings, bills, covenants, controversies, agreements, obligations, liabilities, damages, claims, debts, losses, expenses, or demands which GM ever had, now has, or hereafter can, shall, or may have against TRW or Kelsey-Hayes with respect to Covered Matters, except for rights granted by this Agreement.

4. Indemnification of TRW and Kelsey-Hayes. GM hereby agrees to protect, defend, indemnify, and save harmless TRW and Kelsey-Hayes from and against all Covered Matters. GM shall have the right and duty to defend any order, claim, or suit brought against TRW or Kelsey-Hayes for Covered Matters, even if one or more of the allegations of the order, claim, or suit are groundless, false or fraudulent, and GM may make such investigation and settlement of any order, claim, or suit as GM deems expedient. TRW and Kelsey-Hayes hereby acknowledge and certify that other than as previously disclosed, they know of no currently pending actions, causes of action, suits, controversies, agreements, obligations, liabilities, damages, claims, debts, losses, expenses, or demands against TRW or Kelsey-Hayes relating to Covered Matters.

5. Payment by TRW and Kelsey-Hayes. In consideration for the obligations undertaken by GM pursuant to the terms of this Agreement, TRW and Kelsey-Hayes hereby agree to collectively pay to GM a cash amount of Eight Hundred Fifty Thousand Dollars (\$850,000) (the "Cash Amount") to resolve their separate individual liabilities subject to and in accordance with the terms and procedures for such payments set forth herein:

- a. The Cash Amount shall be paid to GM within thirty (30) days of the effective date of this Agreement. If payment is made more than fifteen (15) days after the due date, simple interest of 0.75% shall be included per month for each month or fraction thereof that said payment is late;
- b. All payments made by TRW and Kelsey-Hayes to date regarding the Valleycrest Site or litigation concerning Covered Matters shall be credited to GM and become the property of GM. Any recovery related to the TRW and Kelsey-Hayes share of the cost recovery litigation shall be credited to GM and become the property of GM. The prior payments and the proceeds of the cost recovery litigation (the "Credit Amount") may be paid directly to or otherwise held by GM as soon as said funds become available after the effective date of this agreement.
- c. It is the intent of GM, Kelsey-Hayes and TRW that in return for the total of the Cash Amount and the Credit Amount being paid by or on behalf of TRW and Kelsey-Hayes to GM, then GM forever releases, indemnifies, defends, protects, and replaces TRW and Kelsey-Hayes with respect to all Covered Matters for the Valleycrest Site as provided by the terms of this Agreement.

6. GM's Activities. GM will continue, individually or together with other parties, to complete the RI/FS and perform such other removal and remedial activities at the Valleycrest Site, as to be determined by GM in its sole discretion. If it chooses to do so, GM may notify EPA and the Ohio Environmental Protection Agency ("OEPA") of the existence and effect of this Agreement, and that TRW and Kelsey-Hayes have paid for and extinguished their potential liabilities associated with the Valleycrest Site.

7. Assignment by TRW and Kelsey-Hayes. TRW and Kelsey-Hayes hereby assign to GM all claims and demands of every kind and nature that they may possess with respect to Covered Matters against each and every other person, entity, and potentially liable party at and for the Valleycrest Site. However, this reference to potentially liable parties is not intended to include any insurance carrier of TRW or Kelsey-Hayes, pursuant to Paragraph 18 below. TRW and Kelsey-Hayes hereby assign to GM all of their rights and interests under any agreement(s) either has entered into relating to Covered Matters except this Settlement Agreement. TRW and Kelsey-Hayes agree to execute any additional documents that GM may reasonably request to give full force and effect to these assignments.

8. Release of GM. TRW and Kelsey-Hayes and its successors and assigns hereby release and forever discharge GM and its shareholders, officers, directors, employees, agents, successors and assigns, of and from any and all actions, causes of action, suits, sums of money, accounts, reckonings, bills, covenants, controversies, agreements, obligations, liabilities, damages, claims, debts, losses, expenses, or demands which TRW or Kelsey-Hayes ever had, now have, or hereafter can, shall, or may have against GM with respect to Covered Matters, except for rights granted by this Agreement.

9. Transmittal of Claims. TRW and Kelsey-Hayes will notify GM by fax and/or express delivery of the existence of any claim, demand, order, notice, summons, or other

process received hereafter by TRW or Kelsey-Hayes regarding any Covered Matters, as follows:

- a. If a response is required within thirty (30) days of receipt, TRW or Kelsey-Hayes shall provide GM with written notice not later than ten (10) calendar days prior to any such response deadline for the claim, demand, order, notice, summons, or other process received by TRW or Kelsey-Hayes, provided, however, that TRW or Kelsey-Hayes received such claim, demand, order, notice, summons, or other process more than ten (10) days prior to such response deadline to allow for timely compliance with this Paragraph 9.a.
- b. If TRW's or Kelsey-Hayes' receipt thereof is less than ten (10) days prior to the deadline for response, then TRW or Kelsey-Hayes shall seek a thirty (30) day extension for response and shall provide a copy of the claim, demand, order, notice, summons, or other process and an acknowledgment of the thirty (30) day extension to GM not later than ten (10) days prior to the extended deadline for response.
- c. Such notice and copies of whatever was received by TRW or Kelsey-Hayes shall be sent to GM in conformance with the notice provision set forth at paragraph 22 below.
- d. GM shall promptly notify TRW or Kelsey-Hayes that it has assumed the defense of any matter so forwarded to it by TRW or Kelsey-Hayes and covered by this Agreement. GM will then proceed to defend said claim, demand, order, notice, summons, or other process pursuant to this Agreement.
- e. If necessary and if reasonably requested by GM, TRW and Kelsey-Hayes shall reasonably cooperate in responding to discovery, allocation and

information requests arising for any claim, demand, order, notice, summons, or other process sent to TRW or Kelsey-Hayes and for which GM has assumed the defense pursuant to this Agreement.

f. The failure of TRW or Kelsey-Hayes to abide strictly by the notice provisions contained herein does not excuse GM's obligations of indemnity or defense, except to the extent that actual and substantial prejudice to GM is documented.

10. Cooperation. If reasonably requested by GM, after execution of this Agreement, TRW or Kelsey-Hayes at their own expense will make available to GM accessible, non-privileged information and witnesses that may be in TRW's or Kelsey-Hayes' possession or control relating to their alleged contribution of hazardous substances and arrangements for disposal at the Valleycrest Site.

### MISCELLANEOUS

11. No Third-Party Beneficiaries. The rights and obligations created under this Agreement shall inure solely to the benefit of the persons and entities specifically referred to as the parties to this Agreement. Nothing herein shall create, extinguish, or in any manner alter or affect the rights or duties of any third parties not parties to, or not in privity with the parties to this Agreement.

12. Bankruptcy. Upon any future bankruptcy filing by GM, TRW, or Kelsey-Hayes, performance of the defense, indemnity, payment, and any and all other obligations, duties and actions of the bankrupt party pursuant to this Agreement shall to the extent possible be deemed to have the priority status of administrative expenses pursuant to 11 U.S.C. Sections 503(b) and 507(a)(1). Upon the confirmation of a plan of bankruptcy reorganization for the bankrupt party, the reorganized party or any post-confirmation successor entity shall be bound by all duties created for said bankrupt party by this



Agreement. The terms, benefits, and obligations of this Agreement for GM, TRW, and Kelsey-Hayes respectively, shall not be terminated, modified, or discharged by any Chapter 11 bankruptcy resolution, and any plan of reorganization that may ever be proposed by GM, Kelsey-Hayes, or TRW respectively, in the future shall so provide.

13. Applicable Law. This agreement shall be interpreted and enforced according to the laws of the State of Ohio.

14. Execution of Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

15. No Admission of Liability. The execution of this Agreement shall not, under any circumstances, be construed as an admission by TRW, Kelsey-Hayes or GM of any fact or liability with respect to the Valleycrest Site, or with respect to any waste containing or constituting Hazardous Substances allegedly contributed to the site. This Agreement shall not constitute or be used as evidence, as an admission of any liability or fact, or as a concession of any question of law by the parties hereto, nor shall it be admissible in any proceeding except in an action to seek the enforcement of any terms of this Agreement.

16. Successors and Assigns Included as Parties. Wherever in this Agreement either GM, Kelsey-Hayes or TRW is named or referred to, the legal representatives, successors, and permitted assigns of such party shall be included, and all covenants and agreements contained in this Agreement by or on behalf of either of the parties hereto shall bind and inure to the benefit of the respective successors and permitted assigns, whether so expressed or not.

17. Assignment. GM may not assign its rights, duties, or obligations under this Agreement to any other person or entity without the express, written, and advance

permission of TRW and Kelsey-Hayes, which permission may be withheld by TRW or Kelsey-Hayes in its sole and exclusive discretion.

18. Insurance. GM, Kelsey-Hayes and TRW do not hereby make any agreement or take any action that will prejudice them with regard to, nor transfer their respective rights concerning, their respective third-party insurance claims, coverages or recoveries.

19. Headings. The headings contained in this Agreement are for convenience of reference only, are not to be considered a part hereof, and shall not limit or otherwise affect any of the terms hereof.

20. Modification. Neither this Agreement, nor any provisions hereof, may be changed, waived, discharged, or terminated orally, but only by instrument in writing signed by the party against whom enforcement of the change, waiver, discharge, or termination is sought.

21. Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto among themselves as to the Covered Matters. As between TRW, Kelsey-Hayes and GM, any prior agreements as to Covered Matters are hereby cancelled or superceded by this Agreement to the extent that they may be inconsistent herewith.

22. Notice Procedure. Notices required or otherwise given under this Agreement shall be directed as follows:

To GM:

Michelle T. Fisher, Esq.  
General Motors Corporation  
Legal Staff  
MC 482-C24-D24  
300 Renaissance Center  
Detroit, MI 48243  
Tel: (313) 665-4877  
Fax: (313) 665-4896

To TRW and Kelsey-Hayes:

Scott D. Blackhurst, Esq.  
TRW Inc.  
Senior Counsel - Environmental  
1900 Richmond Road

Cleveland, Ohio 44124  
Tel: (216) 291-7359  
Fax: (216) 291-7874

All notices or demands required or permitted under this Agreement shall be in writing and shall be effective if sent by express delivery or by registered or certified mail, postage prepaid and return receipt requested. Notices shall be deemed received at the time delivered. Any party may also give notice by facsimile transmission, which shall be effective upon confirmation by the party sending the notice that such facsimile transmission has been received by the party to whom the notice has been addressed. Nothing in this Paragraph 22 shall prevent the giving of notice in such manner as prescribed by the Federal Rules of Civil Procedure for the service of legal process. Either party may change its address by giving written notice thereof to the other party to this Agreement.

23. Confidentiality. Kelsey-Hayes and TRW agree to keep confidential and not to disclose to any third party, directly or indirectly, the terms of this agreement, including, but not limited to, the value of the Cash Amount, except as required by applicable law or by a court of competent jurisdiction, and except as to that information which is in the public domain. If Kelsey-Hayes or TRW is required to disclose such information, the disclosure shall be limited such that any disclosures are only to the extent necessary and as expressly required by a court or by applicable law.

24. Remedies and Attorneys' Fees. In any action brought by a party hereto for breach of this Agreement or to enforce the rights and obligations of this Agreement, the prevailing party shall be entitled also to recover its reasonable attorney's fees. Equitable and injunctive relief shall also be available to either party hereto upon breach of this Agreement by the other party.

25. Authorization. Each of the signatories signing below on behalf of his or her respective party to this Agreement represents that he or she is fully authorized to sign on behalf of that party.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of  
the date appearing above and last written below.

**GENERAL MOTORS CORPORATION**

By: Michelle T. Fisher  
Name (print): Michelle T. Fisher  
Title: Attorney  
Date: Nov. 4, 2002

**TRW INC.**

By: David B. Goldstein  
Name (print): David B. Goldstein  
Title: Assistant Secretary  
Date: 10/18/02

**KELSEY-HAYES COMPANY**

By: [Signature]  
Name (print): \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

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ID\WRS

**CERTIFICATE OF SERVICE**

I, Jason A. Nagi, Esq., of Polsinelli Shughart PC, hereby certify that on the 22<sup>nd</sup> day of February, 2011, I caused to be served a copy of the foregoing document upon the parties listed below in the manner indicated.

**VIA FIRST CLASS MAIL AND/OR ELECTRONIC MAIL**

Harvey R. Miller, Esquire Stephen Karotkin, Esquire Joseph H. Smolinsky, Esquire Weil, Gotshal & Manges LLP 767 Fifth Avenue New York, New York 10153 <a href="mailto:harvey.miller@weil.com">harvey.miller@weil.com</a> <a href="mailto:stephen.karotkin@weil.com">stephen.karotkin@weil.com</a> <a href="mailto:joseph.smolinsky@weil.com">joseph.smolinsky@weil.com</a> (Counsel to the Debtors)	Thomas Morrow Motors Liquidation Company 401 South Old Woodward Avenue Suite 370 Birmingham, Michigan 48009
Lawrence S. Buonomo, Esquire General Motors LLC 400 Renaissance Center Detroit, Michigan 48265	John J. Rapisardi, Esquire Cadwalader, Wickersham & Taft LLP One World Financial Center New York, New York 10281 <a href="mailto:john.rapisardi@cw.com">john.rapisardi@cw.com</a> (Counsel to the US Department of Treasury)
Joseph Samarias, Esquire United States Department of the Treasury 1500 Pennsylvania Avenue, NW, Room 2312 Washington, D.C. 20220	Michael J. Edelman, Esquire Michael L. Schein, Esquire Vedder Price, P.C. 1633 Broadway, 47 <sup>th</sup> Floor New York, New York 10019 <a href="mailto:mjedelman@vedderprice.com">mjedelman@vedderprice.com</a> <a href="mailto:mschein@vedderprice.com">mschein@vedderprice.com</a> (Counsel to Export Development Canada)
Thomas Moers Mayer, Esquire Robert Schmidt, Esquire Lauren Macksoud, Esquire Jennifer Sharret, Esquire Kramer Levin Naftalis & Frankel LLP 1177 Avenue of the Americas New York, New York 10036 <a href="mailto:tmayer@kramerlevin.com">tmayer@kramerlevin.com</a> <a href="mailto:rschmidt@kramerlevin.com">rschmidt@kramerlevin.com</a> <a href="mailto:lmacksoud@kramerlevin.com">lmacksoud@kramerlevin.com</a> <a href="mailto:jsharret@kramerlevin.com">jsharret@kramerlevin.com</a> (Counsel to the Statutory Committee of Unsecured Creditors)	Tracy Hope Davis, Esquire Office of the United States Trustee for the Southern District of New York 33 Whitehall Street, 21 <sup>st</sup> Floor New York, New York 100044

<p>David S. Jones, Esquire  Natalie Kuehler, Esquire  U.S. Attorney's Office, S.D.N.Y.  86 Chambers Street, Third Floor  New York, New York 10007</p>	<p>Elihu Inselbuch, Esquire  Rita C. Tobin, Esquire  Caplin &amp; Drysdale, Chartered  375 Park Avenue, 35<sup>th</sup> Floor  New York, New York 10152-3500  <a href="mailto:ei@capdale.com">ei@capdale.com</a>  <a href="mailto:rct@capdale.com">rct@capdale.com</a>  (Counsel to the Official Committee of  Unsecured Creditors Holding Asbestos-Related  Claims)</p>
<p>Trevor W. Swett III, Esquire  Kevin C. Maclay, Esquire  Caplin &amp; Drysdale, Chartered  One Thomas Circle, N.W.  Suite 1100  Washington, D.C. 20005  <a href="mailto:twsw@capdale.com">twsw@capdale.com</a>  <a href="mailto:kcm@capdale.com">kcm@capdale.com</a>  (Counsel to the Official Committee of  Unsecured Creditors Holding Asbestos-Related  Claims)</p>	<p>Sander L. Esserman, Esquire  Robert T. Brousseau, Esquire  Stutzman, Bromberg, Esserman &amp; Plifka  2323 Bryan Street, Suite 2200  Dallas, Texas 75201  <a href="mailto:esserman@sbep-law.com">esserman@sbep-law.com</a>  <a href="mailto:brousseau@sbep-law.com">brousseau@sbep-law.com</a>  (Counsel for Dean M. Trafelet)</p>

*/s/ Jason A. Nagi*  
\_\_\_\_\_  
Jason A. Nagi, Esquire