



April 17, 2024

Planning, Permitting & Engineering Services
Iowa Department of Natural Resources
Wallace State Office Building
Attn: Mike Sullivan
502 East 9th Street
Des Moines, IA 50319-0034

Re: Cedar Rapids Water Pollution Control Facilities Monofill
Permit #57-SDP-07-85P
Financial Assurance Submittal

Dear Mr. Sullivan,

Enclosed is the financial assurance documentation for year 2023 for the Cedar Rapids Water Pollution Control Facilities' monofill.

If you have any questions, please let me know.

Sincerely,

A handwritten signature in blue ink, appearing to read "Jason A. Decker".

Jason A. Decker
Utilities Environmental and Compliance Program Manager
City of Cedar Rapids
Water Pollution Control Facilities
(319)286-5901

cc: Doug Luzbetak, HLW Engineering



Municipal Solid Waste Sanitary Landfill Financial Assurance Report Form

SECTION 1: FACILITY INFORMATION

(please print or type)

Information Requested

Cedar Rapids Water Pollution Control Facilities Ash
 Facility Name: Monofill Permit Number: 57-SDP-07-085P
 Permitted Agency/Entity: City of Cedar Rapids

SECTION 2: CLOSURE/POSTCLOSURE OR CORRECTIVE ACTION COST ESTIMATES

Information Requested	Cost Estimate	Date of Cost Estimate
Updated Closure Cost Estimate	\$ 469,500	1/9/2024
Updated Postclosure Cost Estimate	\$ 540,000	1/9/2024
Initial or Updated Corrective Action Cost Estimate	\$	

*Attach closure/postclosure cost estimate(s) signed and certified by an Iowa-licensed professional engineer. Cost estimates shall include, at a minimum, each of the cost line items defined in 113.14(3)"c" for closure and 113.14(4)"c" for postclosure. Please provide closure and/or postclosure site area acreage information with the estimates.

Provide a cost estimate for corrective action only if corrective action is required and a corrective action plan has been approved by the Department. Attach the corrective action cost estimate signed and certified by an Iowa-licensed professional engineer. The cost estimate shall account for total costs of the activities described in the approved corrective action plan for the corrective action period.

SECTION 3: FACILITY WASTE TONNAGE INFORMATION

Information Requested	Tons
Remaining permitted capacity as of the beginning of permit holder's current fiscal year	15,087
Amount of waste disposed of at the facility during the prior year	2,310

SECTION 4: PROOF OF COMPLIANCE

Publicly Owned Municipal Solid Waste Landfills

(ATTACH AUDIT REPORT)

Owner's Most Recent Annual Audit Report

Prepared by: Finance Department

For fiscal year ending: 2023

Privately Owned Municipal Solid Waste Landfills

(ATTACH AFFIDAVIT)

Attach owner/operator's affidavit indicating that an annual review has been performed by a certified public accountant to determine whether the privately owned landfill is in compliance with IAC 567 Chapter 113. The affidavit shall state the name of the certified public accountant, the dates and conclusions of the review, and the steps taken to rectify any deficiencies identified by the accountant.

SECTION 5: FINANCIAL ASSURANCE INSTRUMENT

Type and Value of Financial Assurance Instrument(s) (ATTACH INSTRUMENT(S))

Assurance Instrument	Establishment Date	Mechanism Covers	Instrument Value*
Trust Fund 567 IAC 113.14(6)"a"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Surety Bond 567 IAC 113.14(6)"b"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Letter of Credit 567 IAC 113.14(6)"c"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Insurance 567 IAC 113.14(6)"d"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Corporate Financial Test 567 IAC 113.14(6)"e"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Local Gov't. Financial Test 567 IAC 113.14(6)"f"	June 30, 2023	Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$ 1,009,500
Corporate Guarantee 567 IAC 113.14(6)"g"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Local Gov't Guarantee 567 IAC 113.14(6)"h"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Local Gov't. Dedicated Fund 567 IAC 113.14(6)"i"		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$

*Pursuant to IAC 567 113.14(9), if account(s) are restricted/reserved to pay for closure, postclosure or corrective action costs, then the amount of the financial assurance instrument may be reduced by the sum of the cash balance of the account(s) established to comply with subrule 113.14(8).

SECTION 6: INITIAL PROOF OF ESTABLISHMENT OF ACCOUNTS

Check Which Applies: New Mechanism Previously Submitted

Pursuant to IAC 567 Chapter 113.14(8)"f", documentation of the establishment of accounts is to be submitted to the department by April 1, 2003 for currently permitted MSWLFs. Permit holders for MSWLFs permitted after April 1, 2003, shall submit documentation of the establishment of accounts prior to the MSWLF's initial receipt of waste.

Please attach documentation indicating accounts/fund have been established for closure and postclosure care and if the account(s) are restricted/reserved for closure or postclosure care. Examples of documentation include bank statements for closure/postclosure accounts, letter signed by the chief financial officer, letter from certified public accountant, etc.

Accounts established pursuant to paragraph 113.14(6)“a” for trust funds or paragraph 113.14(6)“i” for local government dedicated funds also satisfies the requirements of this subrule, and the permit holder shall not be required to establish additional closure and postclosure accounts.

SECTION 7: CLOSURE AND POSTCLOSURE ACCOUNTS

Completion of the following closure and postclosure account information complies with the annual financial statement requirements of IAC 567 113.14(3)“a” and 113.14(4)“a” by indicating the current balance(s) of the closure/postclosure account(s) or dedicated/trust fund and the projected amount(s) to be deposited in the account(s).

Under “Beginning Balance”, please state the account/fund balance 30 days after the start of the previous fiscal year, for “Ending Balance”, indicate the account balance 30 days after the close of the previous fiscal year, and for “Projected Deposit”, indicate the amount to be deposited within 30 days of the close of the permit holder’s fiscal year.

Information Requested	Beginning Balance	Ending Balance	Projected Deposit
Closure Account Balance <i>(see formula below)</i>	\$	\$	\$
Postclosure Account Balance <i>(see formula below)</i>	\$	\$	\$
Or			
Dedicated Fund Balance <i>(see formula below)</i>	\$	\$	\$
Trust Fund Balance <i>(see formula below)</i>	\$	\$	\$

Formula for Projected Deposits

Closure or Postclosure Account

$$\frac{CE - CB}{RPC} \times TR$$

Where “CE” is the closure or postclosure cost estimate, “CB” is the balance 30 days after close of the previous fiscal year, “RPC” is the remaining permitted capacity in tons, of the landfill from the beginning of the current fiscal year, and “TR” is the total number of tons of solid waste disposed in the prior year.

Dedicated/Trust Fund

$$\frac{CE - CB}{Y}$$

Where “CE” is the closure or postclosure cost estimate, “CB” is the balance 30 days after close of the previous fiscal year, and “Y” is number of years remaining in the pay-in period.

If needed, the space below can be used to show calculations for projected deposits

Closure	Postclosure
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SECTION 8: PERMIT HOLDER ENDORSEMENT

Submittal of this completed and endorsed form along with all required documentation establishes Notification and Proof of Permit Holder Compliance with IAC 567 Chapter 113.

Name of Official: Roy Hesemann Title: Utilities Director

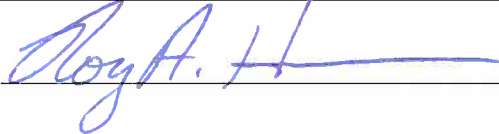
Agency/Entity: City of Cedar Rapids Water Pollution Control Facilities

Address: 7525 Bertram Rd SE

City: Cedar Rapids State: IA Zip: 524037111

Telephone: (319) 286-5972 Fax: _____

Email Address: r.hesemann@cedar-rapids.org

Signature of Official:  Date: 4/17/2024

Questions? Contact Bill Blum at (515) 240-6048 or Bill.Blum@dnr.iowa.gov

Authority

The following calculations are based on rules published in 567 IAC Chapter 115.31, "Industrial monofill sanitary landfill financial assurance". This analysis is based on assuming a worst case scenario regarding closure of the monofill and assuming all work associated with closure and postclosure is performed by a third party (i.e., not by City staff), as per Regulations. **Note that costs are based on actual costs and therefore adjustments for inflation were determined not to be applicable in this closure/postclosure cost estimate.**

Introduction

The CRWPCF Ash Monofill originally consisted of two ash disposal areas referred to as the North Lagoon and the South Lagoon. The original operation was for ash to be deposited in the lagoons, allowed to dewater, and removed for beneficial use at which time additional ash would be placed in the lagoons.

Accumulated ash was removed from the South Lagoon in 2011 and a lined disposal area meeting EPA Subtitle D requirements was constructed in 2011 in the original south ash lagoon footprint. Accumulated ash was removed from the North Lagoon in 2013 and a lined disposal area meeting EPA Subtitle D requirements was constructed in 2016 in a portion of the original north ash lagoon footprint.

The approved Closure/Postclosure Plan for the monofill details the closure process as follows:

- (1) All ash will be excavated from the lagoons and properly disposed of.
- (2) All drainage layer material, rock, soil, protective cover, liner material, piping, manholes, and other infrastructure will be removed and properly disposed of.

Closure Cost Estimate

Closure costs for the North and South Lagoons include removal of accumulated ash, removal of the rock, soil, and concrete protective layers, removal of the sand drainage layer, removal of the soil base liner, removal of the flexible membrane liner(s) and various other geocomposites, and removal of piping, manholes, and other appurtenances. The area that will be disturbed by removal of the North and South Lagoons and infrastructure is approximately 5.2 acres. Cost of ash removal and disposal based on the current contracted price of \$36.00/ton. Note that this cost will be adjusted annually based on the current price for ash removal/disposal.

Ash Removal	9,600 tons	\$36.00 /ton	\$345,600
Infrastructure Removal and Regrading			\$50,000
Seeding and Mulching	5.2 acre	\$1,500 /acre	\$7,800
Erosion Control/SWPPP	5.2 acre	\$1,000 /acre	\$5,200
		Total	<u>\$408,600</u>
		Add a 10% contingency	\$40,900
		Clean Closure Documentation	\$20,000
		Total Closure Cost	<u>\$469,500</u>

Postclosure Cost Estimate

Since the facility anticipates all material and infrastructure being removed upon closure, semi-annual inspections will not be required during the postclosure period. Water quality reporting, monitoring well sampling, and monitoring well testing will be continued throughout the postclosure period. Assume these items will be of the same frequency, type, and method as at present. Assume costs associated with reporting, monitoring well sampling, and monitoring well testing are:

Annual Water Quality Report	<u><u>\$5,200</u></u>
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Monitoring Well Sampling and Testing

Assume monitoring well sampling and testing will be as per the SDP Permit dated October 29, 2021. Estimated testing costs are as follows:

April*	10 tests	\$175 /test	\$1,800
October*	10 tests	\$175 /test	\$1,800

* 9 sampling points and 1 duplicate

Sampling costs are estimated to be:

April	\$2,100
October	<u>\$2,100</u>

Total, Monitoring Well Sampling and Testing	<u><u>\$7,800</u></u>
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The postclosure costs must be adjusted annually as a basis for Financial Assurance.

Financial Assurance postclosure cost estimate	<u><u>\$1,000</u></u>
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Assume financial and miscellaneous costs are approximately \$4,000 per year.	<u><u>\$4,000</u></u>
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Financial Assurance Calculations

Closure


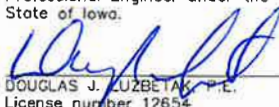
North and South Lagoons	\$469,500
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Postclosure (annual)

Water Quality Reporting	\$5,200
Monitoring Well Sampling and Testing	\$7,800
Financial Assurance	\$1,000
Financial and Miscellaneous Costs	\$4,000
	\$18,000

Estimated Postclosure Costs - Total

\$18,000 /year	30 years	\$ 540,000
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	<p>I hereby certify that this engineering document was prepared by me or under my direct personal supervision and that I am a duly licensed Professional Engineer under the laws of the State of Iowa.</p> <p style="text-align: center;">  1/9/24 </p> <p>DOUGLAS J. LUZBETAK, P.E. DATE License number 12654</p> <p>My license renewal date is December 31, 2024.</p> <p>Pages <u> 44 </u> sheets covered by this seal:</p> <p>_____</p> <p>_____</p>
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MUNICIPAL SOLID WASTE SANITARY LANDFILL LOCAL GOVERNMENT FINANCIAL TEST & CFO LETTER

April 3, 2024

Iowa Department of Natural Resources
Planning, Permitting & Engineering Services
Wallace State Office Building
502 East 9th Street
Des Moines, IA 50319

Dear Sir or Madam:

I am the acting chief financial officer for City of Cedar Rapids, herein referred to as the "Owner". This letter is in support of the Owner's use of the Financial Test to demonstrate financial assurance for closure and/or postclosure care costs, as specified in IAC 567 Chapter 113.14(3) and 113.14(4).

The Owner is the owner and operator of the following municipal solid waste sanitary landfill(s) for which financial assurance for closure and/or postclosure care is demonstrated through the financial test, as specified in IAC 567 Chapter 113.14(6)"f":

Facility Name: Cedar Rapids Water Pollution Control Facilities Landfill

Address: 7525 Bertram Rd. S.E., Cedar Rapids, IA 52403-7111

Permit No: 57-SDP-85P

The current closure and/or postclosure care cost estimate, in accordance with IAC 567 Chapter 113.14(3) and 113.14(4), are shown below for each facility covered by the Financial Test:

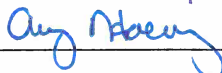
Closure cost to be assured: \$ 469,500

Postclosure cost to be assured: \$ 540,000

The Owner meets or exceeds the financial test criteria as shown below in [insert Alternative I or Alternative II] and agrees to comply with the requirements, as specified in subrule 113.14(6)"f".

[Note: Fill in and attach either Alternative I if meeting the bond ratings or Alternative II if meeting the financial ratios of IAC 567 113.14(6)"f"(1)]

As acting chief financial officer for the Owner, I hereby certify that the information provided in this letter is true to the best of my knowledge and that this letter is being submitted in accordance with IAC 567 Chapter 113.14(6)"f" for the Local Government Financial Test.

Signature: 

Name: Andy Hoenig, General Accounting Manager

Date: 04-03-2024

The figures for the following items are derived from the Owner's independently audited, year-end financial statements/audit report for the latest completed fiscal year, ended 2023.

Alternative I

1. Sum of the current closure and/or postclosure cost estimates being assured by the Financial Test	\$1,009,500	\$974,600
	From most recent annual auditor's report	From 2nd most recent annual auditor's report
2. Total Revenues	\$45,633,628	\$38,610,289
3. Total Expenditures	\$25,707,527*	\$25,962,625*
4. Current bond rating of most recent outstanding general obligation bonds	Aa1	Aa1
Must be able to answer "Yes" or "True" to the following		
	Yes/True	No/False
5. Has evidence been provided of most recent bond rating?	Yes	
6. Are outstanding general obligation bonds rated at least Aaa, Aa, A, or Baa, as issued by Moody's or AAA, AA, A or BBB, as issued by Standard & Poor's?	Yes	
7. There are no outstanding general obligation bonds that are currently in default.	True	
8. There are no outstanding general obligation bonds rated lower than Baa as issued by Moody's or BBB as issued by Standard & Poor's.	True	
9. Have financial statements (audit) been prepared in conformity with Generally Accepted Accounting Principles or with Other Comprehensive Basis of Accounting?	Yes	
10. Is line 3 less than line 2 in each of the past two years?	Yes	
11. If answered "no" to line 10, line 3 does not exceed line 2 by more than 5 percent in each of the past two years.		
12. Is line 1 less than 43 percent of line 2?	Yes	
13. Have not received an adverse opinion or disclaimer of opinion from the independent certified public accountant or office of the auditor of the state of Iowa.	True	
14. Have closure and postclosure costs being assured been referenced in the owner's most recent audit report or instead placed in the owner's files if timing did not permit reference in the most recent audit?	Yes	

* Page 37 of the 2023 Audit report. Operating expenses \$31,087,727 less depreciation of \$5,512,002 plus transfers of \$131,802.

Definitions:

"Deficit" - means total annual revenues minus total annual expenditures.

"Total revenues" - means revenues from all taxes and fees but does not include the proceeds from borrowing or asset sales, excluding revenue from funds managed by local government on behalf of a specific third party.

"Total expenditures" - means all expenditures excluding capital outlays and debt repayment.

"Cash plus marketable securities" - means all the cash plus marketable securities held by the local government on the last day of a fiscal year, excluding cash and marketable securities designated to satisfy past obligations such as pensions.

"Debt service" - means the amount of principal and interest due on a loan in a given time period, typically the current year.