



January 22, 2026

Planning, Permitting & Engineering Services
Iowa Department of Natural Resources
Attn: Chad Stobbe
6200 Park Avenue, Suite 200
Des Moines, IA 50321

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

Dear Mr. Stobbe,

Enclosed is the financial assurance documentation for fiscal year 2025 for the Cedar Rapids Water Pollution Control Facilities' monofill.

If you have any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Margaret Nelson". The signature is fluid and cursive, with "Margaret" on the top line and "Nelson" on the bottom line.

Margaret A. Nelson
Utilities Environmental and Compliance Program Manager
City of Cedar Rapids Water Pollution Control Facilities
(319) 286-5948

cc: Doug Luzbetak, HLW Engineering



Industrial Monofill Financial Assurance Report Form

SECTION 1: FACILITY INFORMATION

(please print or type)

Information Requested

Facility Name: _____ Permit Number: _____
Permitted Agency/Entity: _____

SECTION 2: CLOSURE/POSTCLOSURE OR CORRECTIVE ACTION COST ESTIMATES

Information Requested	Cost Estimate	Date of Cost Estimate
Updated Closure Cost Estimate	\$	
Updated Postclosure Cost Estimate	\$	
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 115.31(3)"c" for closure and 115.31(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	
Amount of waste disposed of at the facility during the prior year	

SECTION 4: PROOF OF COMPLIANCE

Publicly Owned Municipal Solid Waste Landfills

(ATTACH AUDIT REPORT)

Owner's Most Recent Annual Audit Report

Prepared by: _____

For fiscal year ending: _____

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 monofill is in compliance with IAC 567 Chapter 115. 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 115.31(6)“a”		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Surety Bond 567 IAC 115.31(6)“b”		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Letter of Credit 567 IAC 115.31(6)“c”		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Insurance 567 IAC 115.31(6)“d”		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Corporate Financial Test 567 IAC 115.31(6)“e”		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Local Gov’t. Financial Test 567 IAC 115.31(6)“f”		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Corporate Guarantee 567 IAC 115.31(6)“g”		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Local Gov’t Guarantee 567 IAC 115.31(6)“h”		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$
Local Gov’t. Dedicated Fund 567 IAC 115.31(6)“i”		Closure <input type="checkbox"/> Postclosure <input type="checkbox"/> Corrective Action <input type="checkbox"/>	\$

SECTION 6: FUND PAYMENTS

(only if using dedicated or trust fund)

Completion of the following fund information complies with the annual financial statement requirements of IAC 567 115.31(3)“a” and 115.31(4)“a” by indicating the current balance(s) of the dedicated/trust fund and the projected amount(s) to be deposited in the fund(s).

Under “Beginning Balance”, please state the fund balance 30 days after the start of the previous fiscal year, for “Ending Balance”, indicate the fund 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
Dedicated Fund Balance (see formula below)	\$	\$	\$
Trust Fund Balance (see formula below)	\$	\$	\$

Formula for Projected Deposits

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

SECTION 7: 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 115.

Name of Official: _____ Title: _____

Agency/Entity: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

Email Address: _____

Signature of Official: _____ Date: _____

Questions? Contact Mary Klemesrud at (515) 802-8835 or Mary.Klemesrud@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.

A lined disposal area (South Disposal Area) was constructed in 2011. An additional lined disposal area (North 1 Disposal Area) was constructed in 2016. The South Disposal Area was closed and removed and a new disposal area (North 2 Disposal Area) constructed in 2025.

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

- (1) All ash will be excavated from the disposal areas 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 1 and North 2 Disposal Areas include removal of accumulated ash, removal of the concrete protective layers, removal of the sand drainage layer, removal of the flexible membrane liner(s) and various other geocomposites, removal of the soil base liner, and removal of piping, manholes, and other appurtenances. An ash removal quantity of 9,600 tons was used in this estimate to be consistent with past closure cost estimates. The area that would be disturbed by removal of the North 1 and North 2 Disposal Areas and infrastructure is approximately 4 acres. Cost of ash removal and disposal based on the current contracted price of \$28.89/ton. Note that this cost will be adjusted annually based on the contracted price for ash removal/disposal.

Ash Removal	9,600 tons	\$28.89 /ton	\$277,300
Infrastructure Removal and Regrading			\$100,000
Seeding and Mulching	4 acre	\$2,500 /acre	\$10,000
Erosion Control/SWPPP	4 acre	\$2,500 /acre	\$10,000
		Total	<u>\$397,300</u>
		Add a 10% contingency	\$39,700
		Clean Closure Documentation	\$20,000
		Total Closure Cost	<u>\$457,000</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 during the postclosure period as long as the facility maintains an SDP Permit. 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>\$5,400</u>
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Monitoring Well Sampling and Testing

Assume monitoring well sampling and testing will be as per the updated HMSP in the current SDP Permit. Estimated testing costs are as follows:

April*	6 tests	\$250 /test	\$1,500
October*	6 tests	\$250 /test	\$1,500

* 5 sampling points and 1 duplicate

Sampling costs are estimated to be:

April	<u>\$2,200</u>
October	<u>\$2,200</u>

Total, Monitoring Well Sampling and Testing	<u>\$7,400</u>
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The postclosure costs must be adjusted annually as a basis for Financial Assurance.

Financial Assurance postclosure cost estimate	<u>\$1,000</u>
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Assume monitoring well maintenance and miscellaneous costs are approximately

\$4,000 per year.	<u>\$4,000</u>
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Cedar Rapids Water Pollution Control Facilities Ash Monofill
IDNR Permit Number 57-SDP-07-85P
Closure/Postclosure Cost Estimates - 2026

Financial Assurance Calculations

Closure

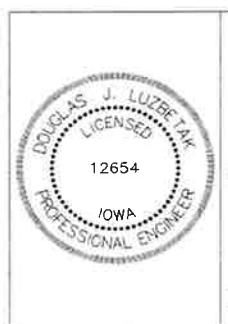
North 1 and North 2 Disposal Areas	<u>\$457,000</u>
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Postclosure (annual)

Water Quality Reporting	\$5,400
Monitoring Well Sampling and Testing	\$7,400
Financial Assurance	\$1,000
Monitoring Well Maintenance and Miscellaneous Costs	\$4,000
	<u><u>\$17,800</u></u>

Estimated Postclosure Costs - Total

\$17,800 /year	30 years	<u><u>\$ 534,000</u></u>
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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> 11/2/26</p> <p>DOUGLAS J. LUTZETAUF, P.E. DATE License number 12654</p> <p>My license renewal date is December 31, 2026.</p> <p>Pages <u>44</u> sheets covered by this seal:</p>
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MUNICIPAL SOLID WASTE SANITARY LANDFILL LOCAL GOVERNMENT FINANCIAL TEST & CFO LETTER

January 12, 2026

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 coved by the Financial Test:

Closure cost to be assured: \$ 457,000

Postclosure cost to be assured: \$ 534,000

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: Andy Hoenig

Name: Andy Hoenig, General Accounting Manager

Date: 01-12-2026

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 2025.

Alternative I

1. Sum of the current closure and/or postclosure cost estimates being assured by the Financial Test	\$991,000	\$986,500
	From most recent annual auditor's report	From 2nd most recent annual auditor's report
2. Total Revenues	\$57,205,568	\$52,646,454
3. Total Expenditures	\$31,240,167*	\$29,586,311
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
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 2025 Audit report. Operating expenses \$36,711,678 less depreciation of \$5,551,038 plus transfers of \$79,527.

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.