

BHC SWMC
BLACK HAWK COUNTY
SOLID WASTE MANAGEMENT COMMISSION

March 16, 2026

Ms. Mary Klemesrud
IDNR Land Quality Bureau
6200 Park Ave
Suite 200
Des Moines, IA 50321

mary.klemesrud@dnr.iowa.gov

Re: Financial Assurance Annual Report
Black Hawk County Sanitary Landfill
Permit # 07-SDP-01-75P

Dear Ms. Klemesrud:

Enclosed, please find our Financial Assurance Annual Report and supporting documentation, including excerpts from the FY 2025 Audit Report. A full copy of the audit is available on the State Auditor's website. The submitted bond rating is from May 2025.

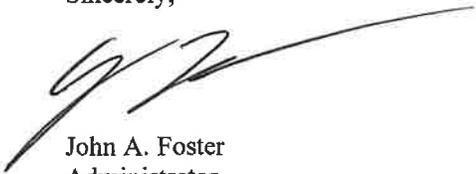
The Closure, Post-Closure, and the Assessment of Corrective Measures account is projected to increase by \$412,963 to \$10,795,122 by June 30, 2025.

The remaining tonnage used for this report is based on a survey of the active landfill area and converted to tons using 1,000 pounds per cubic yard. This method provides an estimate of remaining airspace, separate from the actual tons received method, based on the compaction rate for W-3.

Note that the airspace loss of 130,246 tons from last year's report and the reported landfilled tons are due to a decrease in the observed compaction rate and a suspected increase in soil usage, which reduces the available volume for waste.

If you have any questions regarding this report, do not hesitate to contact me at jfoster@wastetrac.org or (319) 234-8115.

Sincerely,



John A. Foster
Administrator

Enclosures: Financial Assurance Report Form
Certified Closure/Post-Closure Engineer's Cost Estimate
Local Government Financial Test & CFO Letter
Excerpts of Financial Audit Report as of June 30, 2025
Moody's Credit Opinion from May 21, 2025

Cc: Audit File

(319) 234-8115

P.O. Box 208
Waterloo, Iowa 50704

www.Wastetrac.org



Municipal Solid Waste Sanitary Landfill Financial Assurance Report Form

SECTION 1: FACILITY INFORMATION

(please print or type)

Information Requested

Facility Name: Black Hawk County Landfill Permit Number: 07-SDP-01-75P

Permitted Agency/Entity: Black Hawk County Solid Waste Management Commission

SECTION 2: CLOSURE/POSTCLOSURE OR CORRECTIVE ACTION COST ESTIMATES

Information Requested	Cost Estimate	Date of Cost Estimate
Updated Closure Cost Estimate	\$ 10,709,162	03/09/2026
Updated Postclosure Cost Estimate	\$ 3,228,540	03/09/2026
Initial or Updated Corrective Action Cost Estimate	\$ 10,000	03/09/2026

*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	1,724,064
Amount of waste disposed of at the facility during the prior year	199,692

SECTION 4: PROOF OF COMPLIANCE

Publicly Owned Municipal Solid Waste Landfills

(ATTACH AUDIT REPORT)

Owner's Most Recent Annual Audit Report

Prepared by: Hogan-Hansen

For fiscal year ending: June 30, 2025

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"	May 27, 2008	Closure <input checked="" type="checkbox"/> Postclosure <input checked="" type="checkbox"/> Corrective Action <input checked="" type="checkbox"/>	\$ 3,565,543
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>	\$ 9,304,688	\$ 10,382,159	\$ 412,963
Postclosure Account Balance <i>(see formula below)</i>	\$ Included Above	\$ Included Above	\$ Included Above
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

<p>Closure \$13,947,702 - \$10,382,159 = \$3,565,543 \$3,565,543 / 1,724,064 tons = \$2.0681/ton \$2.068 * 199,692 tons = <u>\$412,963.06 deposit</u></p>	<p>Post-closure Included with closure calculation</p>
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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: John A. Foster Title: Administrator

Agency/Entity: Black Hawk County Solid Waste Management Commission

Address: P.O. Box 208, 229 E. Park Ave

City: Waterloo State: IA Zip: 50704

Telephone: 319-234-8115 Fax: N/A

Email Address: jfoster@wastetrac.org

Signature of Official:  Date: March 16, 2026

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

2025 FINANCIAL ASSURANCE - IDNR

Facility: **Black Hawk County Sanitary Landfill**
 Permit #: **7-SDP-1-75P**
 Date Submitted: **Monday, March 9, 2026**



2025		IDNR	
LANDFILL CELL CLOSURE ESTIMATE			
2024	Composite Closure		\$ 10,367,050
01/26/23	IDNR Inflation Factor		1.0330
2025		\$	10,709,162
	Annual Closure Increase		\$ 342,113
INCLUDING			
Design		5%	\$ 535,458
QA/QC		5%	\$ 535,458
POST-CLOSURE COST ESTIMATE			
2024	ESTIMATED POST-CLOSURE COSTS DEVELOPMENT AND OPERATIONS PLAN - MAINTENANCE COSTS		\$ 30,264
2024	IDNR GROUNDWATER MONITORING AND REPORTING COSTS		\$ 74,239
	SUBTOTAL		\$ 104,503
	Post-Closure Care Duration - Years	30	\$ 3,135,082
01/26/23	IDNR Inflation Factor		1.0330
2025	Post-Closure Care	\$	3,238,540
	Annual Post-Closure Increase		\$ 103,458
2025	TOTAL CLOSURE & POST CLOSURE EST.	\$	13,947,702
2024	TOTAL CLOSURE & POST CLOSURE ESTIMATE		\$ 13,502,132
	IDNR - INCREASE TOTAL	\$	445,570

2024 ESTIMATED CLOSURE COSTS				
Task	Unit	Quantity	Unit Cost	Est.Total Cost
Active Cells	AC	60.6	\$ 169,258.54	\$ 10,251,990
Abestos Cell No. 2	AC	2.0	\$ 57,529.83	\$ 115,060
ESTIMATED CLOSURE COSTS				\$ 10,367,050

INCLUDING			
Design		5.0%	\$ 518,352
QA/QC		5.0%	\$ 518,352

2025 CAPACITY AND TONNAGE		
Date	Description	Tons
6/30/2024	SURVEY UPDATE Permitted Capacity	1,724,064
2025	Waste Filled	199,692

2024 ANNUAL POST-CLOSURE COSTS		
Estimated Post-Closure Costs: Development and Operations Plan-Maintenance Costs	Semi-Annual Review	\$ 6,801
	Site Maintenance	\$ 8,501
	Leachate	\$ 10,711
	Engineering-Admin	\$ 4,251
Estimated Post-Closure Costs:		\$ 30,264
IDNR Groundwater Monitoring and Reporting Costs	Est YR Analytical Cost:	\$ 29,696
	Est YR Labor Cost:	\$ 34,543
	Est YR ACM Cost	\$ 10,000
Estimated Annual IDNR GW Sampling Costs:		\$ 74,239

ACTIVE MSW CELLS		ACTIVE ASBESTOS CELLS	
CELL	ACRES	CELL	ACRES
W-1, PH III	1.2	ASB No. 2	2.0
W-1, PH IV	5.4	TOTAL	2.0
W-2	16.3		
W-3	37.7		
TOTAL	60.6		

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.


03/09/26

CHRISTOPHER G. OELKERS, P.E. Date
 License No. 22053
 My license renewal date is 12/31/2027
 Pages or sheets covered by this seal:
All Pages



MUNICIPAL SOLID WASTE SANITARY LANDFILL LOCAL GOVERNMENT FINANCIAL TEST & CFO LETTER

March 16, 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 chief financial officer for the Black Hawk County Solid Waste Management Commission, 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 post-closure 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 post-closure care is demonstrated through the financial test, as specified in IAC 567 Chapter 113.14(6)"f":

Facility Name: Black Hawk County Sanitary Landfill

Address: P.O. Box 208, Waterloo, IA 50704-0208

Permit No: 07-SDP-01-75P

The current closure and/or post-closure 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: \$ 3,565,543

Post-closure cost to be assured: \$ Included above

The Commission meets or exceeds the financial test criteria shown below in Alternative I and agrees to comply with the requirements specified in subrule 113.14(6)"f."

As chief financial officer for the Owner, I hereby certify that the information provided in this letter is accurate 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: Brian Heath, Chairperson

Date: March 16, 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 June 30, 2025.

Alternative I

1. Sum of the current closure and/or post-closure cost estimates being assured by the Financial Test	\$ 3,565,543	\$ 4,167,469
	From the most recent annual auditor's report	
2. Total Revenues	\$ 9,382,129	\$ 10,153,930
3. Total Expenditures	\$ 7,602,763	\$ 6,932,660
4. Current bond rating of most recent outstanding general obligation bonds	Aa2-Moody's	Aa2-Moody's
Must be able to answer "Yes" or "True" to the following		
	Yes/ True	No/ False
5. Has evidence been provided of the most recent bond rating?	X	
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?	X	
7. There are no outstanding general obligation bonds that are currently in default.	X	
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.	X	
9. Have financial statements (audit) been prepared in conformity with Generally Accepted Accounting Principles or with Other Comprehensive Basis of Accounting?	X	
10. Is line 3 less than line 2 in each of the past two years?	X	
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?	X	.38
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.	X	
14. Have closure and post-closure costs being assured been referenced in the owner's most recent audit report or placed in the owner's files if timing did not permit reference in the most recent audit?	X	

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.

**BLACK HAWK COUNTY SOLID WASTE
MANAGEMENT COMMISSION**

WATERLOO, IOWA

JUNE 30, 2025

Table of Contents

Officials	1
Independent Auditor's Report	2-4
Management's Discussion and Analysis	5-7
Basic Financial Statements	
Statements of Net Position	8
Statements of Revenue, Expenses and Changes in Net Position	9
Statements of Cash Flows	10-11
Notes to the Financial Statements	12-24
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	25-26
Schedule of Findings	27-29

Statements of Net Position

As of June 30, 2025 and 2024

	2025	2024
Assets		
Current Assets		
Cash		
Unrestricted	\$ 6,467,615	\$ 7,213,320
Trade accounts receivable (net of allowance for doubtful accounts)	516,738	494,612
Prepaid insurance	9,838	45,654
Total Current Assets	<u>6,994,191</u>	<u>7,753,586</u>
Noncurrent Assets		
Restricted Assets		
Cash restricted for closure and postclosure care	10,382,159	9,304,688
Restricted investments held by trustee for EPA postclosure	4,673,364	4,413,410
Accrued interest from restricted investments held for EPA postclosure	17,143	15,925
Total Restricted Assets	<u>15,072,666</u>	<u>13,734,023</u>
Capital Assets, Net of Accumulated Depreciation/Amortization	<u>15,776,402</u>	<u>17,493,300</u>
Total Noncurrent Assets	<u>30,849,068</u>	<u>31,227,323</u>
Total Assets	<u>\$ 37,843,259</u>	<u>\$ 38,980,909</u>
Liabilities, Deferred Inflows of Resources and Net Position		
Current Liabilities		
Current maturity of bonds payable	\$ 1,520,000	\$ 1,465,000
Accounts payable	521,010	814,354
Total Current Liabilities	<u>2,041,010</u>	<u>2,279,354</u>
Noncurrent Liabilities		
Estimated accrued cost of landfill closure and postclosure care	11,992,772	10,140,895
Bonds payable	4,690,968	6,285,695
Total Noncurrent Liabilities	<u>16,683,740</u>	<u>16,426,590</u>
Total Liabilities	<u>18,724,750</u>	<u>18,705,944</u>
Net Position		
Net invested in capital assets	9,565,433	9,742,605
Restricted for closure and postclosure care - EPA	4,690,507	4,429,335
- Iowa DNR	10,382,159	9,304,688
Unrestricted	(5,519,590)	(3,201,663)
Total Net Position	<u>19,118,509</u>	<u>20,274,965</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 37,843,259</u>	<u>\$ 38,980,909</u>

FD for #1

See accompanying notes to the financial statements.

Statements of Revenue, Expenses and Changes in Net Position

Years Ended June 30, 2025 and 2024

	2025	2024
Operating Revenue		
Landfill fees	\$ 8,381,859	\$ 9,339,880
Commission's share of ton taxes	304,337	328,796
Total Operating Revenue	8,686,196	9,668,676
Operating Expenses		
Landfill operating fees	4,149,172	4,239,737
Current amount of total estimated cost of landfill closure and postclosure care.....	975,386	1,160,212
Changes in accounting estimates for cost of future closure and postclosure care.....	886,176	69,870
Depreciation and amortization	2,935,822	3,104,116 *
Contracted staff compensation	146,949	143,935
Professional fees	589,867	481,269
Insurance	13,438	10,165
Office supplies, postage and telephone	32,439	18,336
Projects and awards funded by ton taxes	722,251	701,571
Other	87,085	107,565
Total Operating Expenses	10,538,585	10,036,776
Operating Loss	(1,852,389)	(368,100)
Nonoperating Revenue (Expenses)		
Interest income (net of expense 2025 - \$19,038; 2024 - \$18,082).....	709,086	726,068
Interest expense.....	(280,208)	(299,361)
Amortization of bond premium.....	74,727	85,685
Bond issuance costs.....	—	(78,476)
Unrealized gain (loss) on investments	57,902	(3,011)
Other revenue	137,472	52,812
Other expenses	(3,046)	(1,474)
Net Nonoperating Revenue	695,933	482,243
Change in Net Position	(1,156,456)	114,143
Net Position - Beginning of Year.....	20,274,965	20,160,822
Net Position - End of Year	\$ 19,118,509	\$ 20,274,965

FA 10/2

3 - *

FA 10/2

See accompanying notes to the financial statements.

Notes to the Financial Statements

(5) Summary of Debt

	<u>Current Portion</u>		<u>Long-Term Portion</u>	
	2025	2024	2025	2024
Bonds Payable				
Tax-exempt general obligation bond, Series 2020 issued through Black Hawk County, Iowa, principal payments due annually in June, bearing interest at 2%, due semi-annually in June and December, through June 1, 2030.	\$ 450,000	\$ 445,000	\$ 2,014,170	\$ 2,485,287
Tax-exempt general obligation bond, Series 2023 issued through Black Hawk County, Iowa, principal payments due annually in June, bearing interest at 5%, due semi-annually in June and December, through June 1, 2029.	<u>1,070,000</u>	<u>1,020,000</u>	<u>2,676,798</u>	<u>3,800,408</u>
Total Bonds Payable	<u>\$ 1,520,000</u>	<u>\$ 1,465,000</u>	<u>\$ 4,690,968</u>	<u>\$ 6,285,695</u>

The bonds contain various restrictive covenants with which the Commission was in compliance as of June 30, 2025.

Interest expense for the years ended June 30, 2025 and 2024 was \$280,208 and \$299,361, respectively.

As of June 30, 2025, debt service requirements to maturity for the bonds were as follows:

	Principal	Interest	Total
Year Ending June 30,			
2026	\$ 1,520,000	\$ 225,300	\$ 1,745,300
2027	1,575,000	162,800	1,737,800
2028	1,645,000	97,700	1,742,700
2029	680,000	29,400	709,400
2030	<u>475,000</u>	<u>9,500</u>	<u>484,500</u>
	5,895,000	524,700	6,419,700
Unamortized bond premium	315,968	—	315,968
	<u>\$ 6,210,968</u>	<u>\$ 524,700</u>	<u>\$ 6,735,668</u>

Notes to the Financial Statements

(6) Estimated Closure and Postclosure Care Costs

To comply with federal and state regulations, the Commission is required to complete a monitoring system plan and a closure/postclosure care plan and to provide funding necessary to effect closure and postclosure care, including the proper monitoring and care of the landfill after closure. EPA requirements have established closure and 30-year postclosure care requirements for all municipal solid waste landfills which receive waste after October 9, 1993. State governments are primarily responsible for implementation and enforcement of those requirements and have been given flexibility to tailor requirements to accommodate local conditions which exist. The effect of the EPA requirement is to commit landfill owners to perform certain closing functions and postclosure monitoring functions as a condition for the right to operate the landfill in the current period. The EPA requirements provide when a landfill stops accepting waste, it must be covered with a minimum of 24 inches of earth to keep liquid away from the buried waste. Once the landfill is closed, the owner is responsible for maintaining the final cover, monitoring ground water and methane gas and collecting and treating leachate (the liquid which drains out of waste) for 30 years.

GASB No. 18 requires landfill owners to estimate total landfill closure and postclosure care costs and recognize a portion of these costs each year based on the percentage of estimated total landfill capacity used that year. Estimated total cost consists of four components: (1) the cost of equipment and facilities used in postclosure monitoring and care, (2) the cost of final cover (material and labor), (3) the cost of monitoring the landfill during the postclosure period and (4) the cost of any environmental cleanup required after closure. Estimated total cost is based on the cost to purchase those services and equipment currently and is required to be updated annually due to the potential for changes due to inflation or deflation, technology or applicable laws or regulations.

The landfill site is currently regulated by the EPA for hazardous wastes and by the Iowa Department of Natural Resources (DNR) for nonhazardous wastes disposed of at the site.

DNR regulations require the reclamation of the landfill site by placing a final two-foot minimum earth covering over the project site. A portion of the total estimated cost of closure and postclosure care of the nonhazardous portion of the site is accrued each year based on the landfill space used as a percentage of the total site capacity. During the years ended June 30, 2025 and 2024, \$975,386 and \$1,160,212, respectively, was accrued based on such usage. Accrued liability for landfill closure and postclosure care costs under DNR regulations totaled \$9,353,514 and \$8,378,127 as of June 30, 2025 and 2024, respectively.

The current active landfill cell is W-3. Due to the nature of a landfill operation, waste is being deposited into the cell using a 4-to-1 back slope method. Under this method, waste is deposited and spread across the cell in a shape similar to a right angle. However, the closure and postclosure care cost estimates are based upon use of air space measurements.

The Commission and its consulting engineer estimate Cell W-2 to have a capacity of 859,000 tons. As of June 30, 2024, 100% of the total capacity had been used. The Commission completed construction of Cell W-3 Phase 1 during the year ended June 30, 2022 and Cell W-3 Phase II during the year ended June 30, 2025.

Cell W-3 is estimated to have a total capacity of 2,605,565 tons. Based upon the tonnage placed into this cell as of June 30, 2025, the Commission estimates that approximately 26% of the total capacity has been used and, therefore, estimates the remaining life of this cell to be approximately nine and one-half years.

Notes to the Financial Statements

(6) Estimated Closure and Postclosure Care Costs

The Commission finished closing the hazardous waste area and received EPA approval of the closure. The EPA, in addition to requiring that a trust fund be established to provide funds for postclosure care (see Note 4), instructed the Commission on what steps the EPA feels will be necessary to monitor the hazardous waste site over the 30-year postclosure period. The 30-year period ended during 2022. The EPA required the Commission to obtain a new permit and continue the postclosure monitoring for another 30 years.

The Commission annually reevaluates its estimates of the remaining landfill capacity and of the future closure and postclosure care costs of certain areas of the landfill which were either in the process of closure or in postclosure as of June 30. The results of changes in those estimates were recognized as increases in operating expenses of \$886,176 and \$69,870 for the years ended June 30, 2025 and 2024, respectively.

A summary of the estimated accrued liability for landfill closure and postclosure care costs as of June 30 is as follows:

	2025	2024
Hazardous area (EPA regulated).....	\$ 2,639,258	\$ 1,762,768
Nonhazardous area (Iowa DNR regulated).....	<u>9,353,514</u>	<u>8,378,127</u>
Total	<u>\$ 11,992,772</u>	<u>\$ 10,140,895</u>

The above costs are reflected as liabilities in the accompanying statements of net position and are based on an estimate of what it would cost to perform all closure and postclosure care in 2025. Actual costs may be higher due to inflation, changes in technology or changes in laws and regulations. In addition to the above costs, if as a result of monitoring the site, leaks of hazardous waste are discovered, the cost of compliance with regulations could become extremely large. The amount of any such liability is not susceptible to estimation until it has been determined that a leak has occurred and the extent of that leak can be determined. Because no known leaks had occurred through the date of this report and the ultimate effects of any potential future leaks cannot presently be determined, no provision for any resultant liability has been made in the financial statements.

The amounts recorded on the statements of net position for closure and postclosure liabilities differ from the amounts reported in its Annual Closure Postclosure Estimate to the DNR due to a 10% estimated contingency made by the Commission's contract engineer for unknown costs at this point. Generally accepted accounting principles preclude the Commission from recording contingent liabilities unless it is probable that a liability has been incurred.

Chapter 455B.306(9)(b) of the Code of Iowa requires permit holders of municipal solid waste landfills to maintain separate closure and postclosure care accounts to accumulate resources for the payment of closure and postclosure care costs. The Commission has begun accumulating resources to fund these costs and, as of June 30, 2025 and 2024, assets of \$10,382,159 and \$9,304,688, respectively, were restricted for these purposes. They are reported as restricted cash and restricted net position on the statements of net position.

Notes to the Financial Statements

(6) Estimated Closure and Postclosure Care Costs

Also, pursuant to Chapter 567-113.14(8) of the Iowa Administrative Code (IAC), since the estimated closure and postclosure care costs are not fully funded, the Commission is required to demonstrate financial assurance for the unfunded costs. The Commission has adopted the dedicated fund mechanism. Under this mechanism, the Commission must certify the following to the Iowa DNR:

- The fund is dedicated by local government statute as a reserve fund.
- Payments into the fund are made annually over a pay-in period of ten years or the permitted life of the landfill, whichever is shorter.
- Annual deposits to the fund are determined by the following formula:

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

NP = next payment

CE = total required financial assurance

CB = current balance of the fund

Y = number years remaining in the pay-in period

Chapter 567-113.14(8) of the IAC allows a government to choose the dedicated fund mechanism to demonstrate financial assurance and use the accounts established to satisfy the closure and postclosure care account requirements. Accordingly, the Commission is not required to establish closure and postclosure care accounts in addition to the accounts established to comply with the dedicated fund financial assurance mechanism.

(7) Solid Waste Tonnage Fees Retained

The Commission has established an account for restricting and using solid waste tonnage fees retained by the Commission in accordance with Chapter 455B.310 of the Code of Iowa.

As of June 30, 2025 and 2024, all amounts retained by the Commission and restricted for the required purposes were spent.

(8) Risk Management

The Commission is a member in the Iowa Communities Assurance Pool (Pool), as allowed by Chapter 670.7 of the Code of Iowa. The Pool is a local government risk-sharing pool whose 805 members include various governmental entities throughout the State of Iowa. The Pool was formed in August, 1986 for the purpose of managing and funding third-party liability claims against its members. The Pool provides coverage and protection in the following categories: general liability, automobile liability, automobile physical damage, property, employment practices liability, public officials liability, cyber liability, law enforcement liability and property. There have been no reductions in insurance coverage from prior years.

Schedule of Findings

Year Ended June 30, 2025

- 25-II-E Deposits and Investments** - We noted no instances of noncompliance with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the Commission's investment policy.
- 25-II-F Solid Waste Ton Tax Fees Retained** - We noted no disbursements or retention of solid waste ton tax fees which were not in accordance with the provisions of Chapter 455B.310 of the Code of Iowa.
- 25-II-G Financial Assurance** - The Commission has demonstrated financial assurance for closure and postclosure care costs as provided in Section 567, Chapter 113.14(6)(i), Local Government Dedicated Fund, of the Iowa Administrative Code. Payments into the dedicated fund must be made annually for ten years or over the life of the landfill cell, if shorter. The Commission's active landfill cells each have an expected life of less than ten years. The calculation is as follows:

	Closure	Postclosure
Cell X and Other Closed Cells		
Total estimated costs for closure and postclosure care	\$ —	\$ —
Less balance of funds held in the local dedicated fund as of June 30, 2024.....	—	2,626,668
Net Remaining	—	—
Divided by the approximate number of months remaining in the pay-in period	N/A None	N/A None
Required payment into the local dedicated fund for the year ended June 30, 2025.....	—	—
Balance of funds held in the local dedicated fund as of June 30, 2024.....	—	2,626,668
Required Balance of Funds to be Held in the Local Dedicated Fund as of June 30, 2025	<u>\$ —</u>	<u>\$ 2,626,668</u>
Amount Commission has Restricted for Closure and Postclosure Care as of June 30, 2025	<u>\$ —</u>	<u>\$ 2,626,668</u>
Cell W-1 Phase I Through IV and Cell W-2		
Total estimated costs for closure and postclosure care	\$ 6,897,864	Included
Less cumulative amount spent for closure.....	<u>2,991,988</u>	in amount
Remaining Balance	3,905,876	restricted
Percentage of pay-in period as of June 30, 2025	<u>100%</u>	under Cell X and other closed cells
Required Balance of Funds to be Held in the Local Dedicated Fund as of June 30, 2025	<u>\$ 3,905,876</u>	
Amount Commission has Restricted for Closure and Postclosure Care as of June 30, 2025.....	<u>\$ 3,905,876</u>	

Schedule of Findings

Year Ended June 30, 2025

	Closure	Postclosure
Cell W-3		
Total estimated costs for closure and postclosure care	\$ 3,744,536	\$ 399,753
Percentage of pay-in period as of June 30, 2025	<u>91.52%</u>	<u>91.52%</u>
Required Balance of Funds to be Held in the Local Dedicated Fund as of June 30, 2025	<u>\$ 3,426,999</u>	<u>\$ 365,854</u>
Amount Commission has Restricted for Closure and Postclosure Care as of June 30, 2025.....	<u>\$ 3,426,999</u>	<u>\$ 365,854</u>
Asbestos Cell #2		
Total estimated costs for closure and postclosure care	\$ 137,773	Included in amount restricted under Cell X and other closed cells
Percentage of pay-in period as of June 30, 2025	<u>41.20%</u>	
Required Balance of Funds to be Held in the Local Dedicated Fund as of June 30, 2025	<u>\$ 56,762</u>	
Amount Commission has Restricted for Closure and Postclosure Care as of June 30, 2025.....	<u>\$ 56,762</u>	

MOODY'S

RATINGS

Rating Action: Moody's Ratings assigns Aa2 to Black Hawk County, IA's GO Notes Series 2025

21 May 2025

New York, May 21, 2025 -- Moody's Ratings (Moody's) has assigned a Aa2 rating to Black Hawk County, IA's General Obligation Capital Loan Notes, Series 2025 with a proposed par amount of \$5 million. We maintain the county's Aa2 issuer and general obligation unlimited tax (GOULT) rating. Post-sale, the county will have approximately \$14.4 million in debt outstanding.

RATINGS RATIONALE

The Aa2 issuer rating incorporates the county's strong finances and low long-term liabilities. Resident income and full value per capita are moderate and economic growth lags the nation. The county's economy maintains higher levels of dependence on agriculture and manufacturing, which may be more susceptible to economic fluctuations. Available reserves are currently 75% of revenue and liquidity is currently over 100% of revenue and will remain strong despite some plans for reserve draws over the near-term. Long-term liabilities are likely to increase slightly as the county begins issuing longer-dated general obligation debt but remain below 100% of revenue.

The Aa2 rating on the GOULT debt reflects the availability of a dedicated property tax unlimited as to rate or amount to cover debt service and the nature of the pledge which is payable from all available funds.

RATING OUTLOOK

We do not assign outlooks to local governments with this amount of debt.

FACTORS THAT COULD LEAD TO AN UPGRADE OF THE RATING

- Bolstering of resident wealth and income
- Expansion of the local economy

FACTORS THAT COULD LEAD TO A DOWNGRADE OF THE RATING

- Substantial weakening of cash and fund balance below 50%
- Material increase in long-term leverage above 150% of revenue

PROFILE

Black Hawk County is located in northeastern Iowa (Aaa stable) and includes the cities of Waterloo and Cedar Falls. The county spans 576 square miles and has a population of approximately 132,000 residents.

METHODOLOGY

The principal methodology used in this rating was US Cities and Counties published in July 2024

and available at <https://ratings.moodys.com/rmc-documents/425429>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

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