

March 25, 2026
File No. 27224360.26

Ms. Mary Klemesrud
Iowa Department of Natural Resources
Land Quality Bureau
6200 Park Avenue, Suite 200
Des Moines, IA 50321

Subject: 2026 Financial Assurance
Mahaska County Sanitary Landfill
Permit Nos. 62-SDP-01-74P

Dear Ms. Klemesrud:

SCS Engineers (SCS), on behalf of the Mahaska County Solid Waste Management Commission (Commission), is submitting herewith the 2026 Financial Assurance to the Iowa Department of Natural Resources (DNR) for the above-referenced facility. We have included the DNR Form 542-8090 Municipal Solid Waste Sanitary Landfill Financial Assurance Report Form in addition to the attachments noted below.

No cell construction or closure activities have occurred since the 2025 closure and post-closure cost estimates were prepared (DocDNA #112992); therefore, the previously certified cost estimates were utilized with the application of the inflation factor to calculate the 2026 closure and post-closure estimates as shown in the table below.

| Estimate | 2025 | Inflation Factor | 2026 |
|-------------------|--------------------|-------------------------|--------------------|
| Closure Cost | \$2,847,340 | 1.033 | \$2,941,302 |
| Post-Closure Cost | \$2,086,068 | 1.033 | \$2,154,908 |
| Total | \$4,933,408 | | \$5,096,210 |

Attachment A includes a letter signed by the Chief Financial Officer for the Commission, which contains information sufficient to demonstrate that the facility qualifies under the local government financial test for financial assurance coverage of a portion of the closure and post-closure costs. Attachment A also includes a copy of the letter of credit used for coverage for the remaining portion of closure and post-closure costs.

A copy of the Agency's most recent annual audit report in the form prescribed by the Office of the Auditor of the State of Iowa as described in IAC 567 Chapter 113 is located at <https://auditor.iowa.gov/reports/audit-reports>.



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Please feel free to contact us if you have any questions, require any additional details, or need any further clarification.

Sincerely,



Chris T. Calhoun
Project Professional
SCS Engineers

CTC/CLC



Christine L. Collier, P.E.
Senior Project Manager
SCS Engineers

Copies: Joe Farris, Landfill Manager, Mahaska County Sanitary Landfill

Engineer's Certification

| | | |
|---|--|------|
|  | I hereby certify that this document was prepared by me or under my direct supervision and that I am a duly licensed Professional Engineer under the laws of the state of Iowa. | |
| |  | |
| | Christine L. Collier | Date |
| | My license renewal date is: December 31, 2027 | |
| | Pages or sheets covered by this seal: 2026 Closure and Post Closure Cost Estimates | |
| | | |



Municipal Solid Waste Sanitary Landfill Financial Assurance Report Form

SECTION 1: FACILITY INFORMATION

(please print or type)

Information Requested

Facility Name: Mahaska County Sanitary Landfill Permit Number: 62-SDP-01-74P
Permitted Agency/Entity: Mahaska County Solid Waste Management Comission

SECTION 2: CLOSURE/POSTCLOSURE OR CORRECTIVE ACTION COST ESTIMATES

| Information Requested | Cost Estimate | Date of Cost Estimate |
|--|---------------|-----------------------|
| Updated Closure Cost Estimate | \$ 2,941,302 | 3/4/2026 |
| Updated Postclosure Cost Estimate | \$ 2,154,908 | 3/4/2026 |
| Initial or Updated Corrective Action Cost Estimate | \$ N/A | |

*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 | 855,246 |
| Amount of waste disposed of at the facility during the prior fiscal year | 48,164 |

SECTION 4: PROOF OF COMPLIANCE

Publicly Owned Municipal Solid Waste Landfills

(ATTACH AUDIT REPORT)

Owner's Most Recent Annual Audit Report

Prepared by: Anderson, Larkin & Co., P.C.

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” | April 13, 1995 | Closure <input checked="" type="checkbox"/> Postclosure <input checked="" type="checkbox"/> Corrective Action <input type="checkbox"/> | \$ 2,337,373 |
| 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” | September 13, 2024 | Closure <input checked="" type="checkbox"/> Postclosure <input checked="" type="checkbox"/> Corrective Action <input type="checkbox"/> | \$ 1,764,758 |
| 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” | | Closure <input checked="" type="checkbox"/> Postclosure <input checked="" type="checkbox"/> Corrective Action <input type="checkbox"/> | \$ 994,079 |
| 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> | \$ 2,182,518 | \$ 2,337,373 | \$ 155,367 |

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 |
|---|--|
| $\frac{(\$2,941,302 - \$913,749)}{855,246} \times 48,164 = \$114,184$ | $\frac{(\$2,154,908 - \$1,423,624)}{855,246} \times 48,164 = \$41,183$ |

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: Joe Farris Title: Landfill Manager

Agency/Entity: Mahaska County Solid Waste Management Commission/Mahaska County Sanitary Landfill

Address: 2979 Highway 63

City: Oskaloosa State: Iowa Zip: 52577

Telephone: 641-673-9266 Fax: 641-673-1772

Email Address: Agency Contact: Debra Danley at deb.mcsw@outlook.com

Signature of Official:  Date: 3/23/26

Questions? Contact Chad Stobbe at (515) 201-8272 or Chad.Stobbe@dnr.iowa.gov

Attachment A

Local Government Financial Test and Letter of Credit

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

March 2026

Iowa Department of Natural Resources
Planning, Permitting & Engineering Services
6200 Park Avenue, Suite 200
Des Moines, IA 50321
Dear Sir or Madam:

I am the chief financial officer of the Mahaska County Solid Waste Management Commission, herein referred to as the "Owner". This letter is in support of the Owner's use of the Local Government 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 for which financial assurance for closure and/or postclosure care is demonstrated through the Local Government Financial Test, as specified in IAC 567 Chapter 113.14(6)"f":

Facility Name: Mahaska County Sanitary Landfill

Address: 2979 Highway 63, Oskaloosa, IA 52577

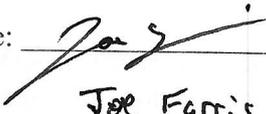
Permit No: 62-SDP-01-74P

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 Local Government Financial Test:

Closure/Postclosure cost to be assured: \$994,079

The Owner meets or exceeds the financial test criteria as shown below in Alternative II and agrees to comply with the requirements, as 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 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: Joe Farris

Date: 3/23/26

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 II

| | | |
|--|---|--|
| 1. Sum of the current closure and/or postclosure cost estimate(s) being assured through the Local Government Financial Test *(see note below) | \$ 994,079 | \$ 986,132 |
| | From most recent annual auditor's report | From 2nd most recent annual auditor's report |
| 2. Total Revenues for past two years | \$ 2,320,779 | \$ 2,293,332 |
| 3. Total Expenditures for past two years ¹ | \$ 1,454,530 | \$ 2,198,857 |
| 4. Cash plus marketable securities (see definition below) | \$ 5,892,522 | \$ 5,395,407 |
| 5. Annual debt service | \$ 0 | \$ 0 |
| Must be able to answer "Yes" or "True" to the following | | |
| | Yes/ True | No/ False |
| 6. Is line 4 divided by line 3 greater than 5 percent? | Yes | |
| 7. Is line 5 divided by line 3 less than 20 percent? | Yes | |
| 8. There are no outstanding general obligation bonds that are currently in default. | Yes | |
| 9. There are no outstanding general obligation bonds rated lower than Baa as issued by Moody's or BBB as issued by Standard & Poor's. | Yes | |
| 10. Have financial statements (audit) been prepared in conformity with Generally Accepted Accounting Principles or with Other Comprehensive Basis of Accounting? | Yes | |
| 11. Is line 3 less than line 2 in each of the past two years? | Yes | |
| 12. If answered "no" to line 11, line 3 does not exceed line 2 by more than 5 percent in each of the past two years. | n/a | |
| 13. Is line 1 less than 43 percent of line 2? | Yes | |
| 14. 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. | Yes | |
| 15. 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 | |

***The amount being assured by the financial test is the total of the cost estimates less the balance of restricted closure/postclosure account(s) and the letter of credit.**

¹ Total Expenditures equals Total Operating Expenses minus Depreciation in FY Auditor's Report.

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.

MUNICIPAL SOLID WASTE SANITARY LANDFILL IRREVOCABLE LETTER OF CREDIT

Letter of Credit No.: 00000024224 Amended

Date: April 10, 2025

This Irrevocable Letter of Credit is being provided to Borrower, Mahaska County Solid Waste Management Commission by Lender, Bank Iowa for the exclusive purpose of meeting financial assurance requirements required by the Iowa Department of Natural Resources, "IDNR", as set forth in IAC 567 Chapter 113.14 for closure and/or post closure care of Mahaska County Solid Waste Management Commission located at 2979 US Highway 63, Oskaloosa, IA 52577.

Pursuant to IAC 567 Chapter 113.14(6)"c", Bank Iowa hereby certifies to IDNR that, as the issuing institution, has the authority to issue Letters of Credit and that their operations are regulated and examined by a Federal or State Agency. The Letter of Credit in this matter was issued for a sum of up to an aggregate amount not to exceed was Two Million One Hundred thousand dollars (\$2,100,000.00) lawful money of the United States. **On April 10, 2025, the signatures below amend the original Agreement dated September 13,2004 to a total aggregate amount not to exceed One Million Seven Hundred Sixty Four Thousand Seven hundred Fifty Eight dollars (\$1,764,758.00)**

The Original irrevocable Letter of Credit was effective as of September 13, 2024, and was to expire on September 13, 2025. On April 10, 2025, the signatures below amend this agreement to expire 4/30/2026. However, the said expiration date shall be automatically extended for a period of at least one year from the original expiration date or thereafter from any extended expiration date, unless at least 120 days prior to such date, Bank Iowa notifies Mahaska County Solid Waste Management Commission and IDNR in writing, by certified mail, that the Bank Iowa elects not to renew the Letter of Credit for such additional period.

Within 60 days of receipt of such notification, as evidence by the signed return receipt, Mahaska County Solid Waste Management Commission shall provide IDNR adequate proof of alternative financial assurance in accordance with IAC 567 Chapter 113.14. If Mahaska County Solid Waste Management Commission does not extend the expiration date or establish alternative financial assurance within 60 days after receipt of an expiration or submit a cancellation notice by Bank Iowa, the issuer of the Letter of Credit shall deposit a sum equal to the full available to be drawn under the Letter of Credit into the closure and postclosure accounts established by the Borrower pursuant to Iowa Code section 455B.306(9)"b". The provision of funds by the issuer of the Letter of Credit shall be considered an issuance of a loan to the Borrower, and the terms of that loan shall be governed by this Letter of Credit or subsequent agreement with Bank Iowa. The Lender and Borrower acknowledge that each will be bound by the further requirements of IAC 567 Chapter 113.14(6)"c" in the event that proof of alternate financial assurance is not provided.

In the event that either Lender or Borrower is purchased by another entity, the subsequent entity shall assume all responsibilities under this Letter of Credit. Neither party shall take any action which may prevent it from fulfilling its responsibilities under this Letter of Credit, including, but not limited to, altering its business practices to render incapable of making payments or provide guarantees as provided for herein.

We undertake to promptly honor your sight draft(s) drawn on us, indicating our Credit No.100000024224 for all or part of this Credit if presented to our office on or before the expiry date or any automatically extended expiry date. The IDNR may draw on this Letter of Credit in full or in part.

Except as expressly stated herein, this undertaking is not subject to any agreement, condition or qualification. The obligation of [Bank Name] under this Letter of Credit is the individual obligation of Bank Iowa and is in no way contingent upon reimbursement with respect thereto.

In witness thereof, the Lender and Borrower have executed this **Amendment to the original** Letter of Credit under their respective hands and seals, this 10th day of April, 2025.

The persons whose signatures appear below hereby certify that they are authorized to execute this Letter of Credit on behalf of the Borrower and Lender.

Mahaska County Solid Waste Management Commission

Borrower

[Corporate Seal]

Signature: David Krutzfeldt

Name: David Krutzfeldt
Secretary/Treasurer

Title:

Signature: Alan DeBruin

Name: Alan DeBruin

Title: Member

Bank Iowa

Lender

[Corporate Seal]

Signature: Mark De Jong

Name: Mark De Jong

Title: Vice President

Signature: _____

Name: _____

Title: _____