

April 3, 2026
File No. 27226133.00

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

Subject: 2026 Financial Assurance
Ottumwa-Wapello County Landfill
Permit No. 90-SDP-01-75P

Dear Mary:

SCS Engineers, on behalf of the Ottumwa-Wapello County Solid Waste Commission, has completed the 2026 closure, post-closure, and corrective action cost estimates required by the Iowa Administrative Code (IAC) and the Ottumwa-Wapello County Landfill permit. We have attached the completed DNR Form 542-8090.

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

Estimate	2025	Inflation Factor	2026
Closure Cost	\$3,313,077	1.033	\$3,422,408
Post-Closure Cost	\$2,513,965	1.033	\$2,596,926
Corrective Action	\$201,268	1.033	\$207,910
Total	\$6,028,310		\$6,227,244

The City of Ottumwa provides financial assurance for the Ottumwa-Wapello County Landfill using the financial test mechanism. The Municipal Solid Waste Sanitary Landfill Local Government Financial Test & CFO Letter are contained in **Attachment A**. The Statement of Cash Balances and Treasurer's Report from June 30, 2025, as provided by the City of Ottumwa, is also included as **Attachment B** with the fiscal year end closure/post-closure account balance.

A copy of the City of Ottumwa'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 can be obtained at: <https://auditor.iowa.gov/audit-reports>.



Mary Klemesrud

April 3, 2026

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If you have any questions or comments regarding this submittal, please contact us at the emails or numbers listed below.

Sincerely,



Chris T. Calhoun
Project Professional
SCS Engineers
ccalhoun@scsengineers.com
(515) 415-9228





Christine L. Collier, P.E.
Senior Project Manager
SCS Engineers
ccollier@scsengineers.com
(515) 418-0677

CTC/CLC

Copies: Philip Rath, City Administrator, City of Ottumwa
Lori Creech, Solid Waste Superintendent, City of Ottumwa

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, Post Closure, and Corrective Action Cost Estimates



Municipal Solid Waste Sanitary Landfill Financial Assurance Report Form

SECTION 1: FACILITY INFORMATION

(please print or type)

Information Requested

Facility Name: Ottumwa-Wapello County Landfill Permit Number: 90-SDP-01-75P
 Permitted Agency/Entity: Ottumwa-Wapello County Solid Waste Commission

SECTION 2: CLOSURE/POSTCLOSURE OR CORRECTIVE ACTION COST ESTIMATES

Information Requested	Cost Estimate	Date of Cost Estimate
Updated Closure Cost Estimate	\$ 3,422,408	3/18/2026
Updated Postclosure Cost Estimate	\$ 2,596,926	3/18/2026
Initial or Updated Corrective Action Cost Estimate	\$ 207,910	3/18/2026

*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	4,895,396
Amount of waste disposed of at the facility during the prior fiscal year	36,949

SECTION 4: PROOF OF COMPLIANCE

Publicly Owned Municipal Solid Waste Landfills

(ATTACH AUDIT REPORT)

Owner's Most Recent Annual Audit Report

Prepared by: BerganKDV, Ltd.

For fiscal year ending: 6/30/2025

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”		Closure <input checked="" type="checkbox"/> Postclosure <input checked="" type="checkbox"/> Corrective Action <input checked="" type="checkbox"/>	\$ 4,789,257 , includes \$207,910 for CA
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 checked="" type="checkbox"/> Postclosure <input checked="" type="checkbox"/> Corrective Action <input type="checkbox"/>	\$ 1,437,987

*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>	\$ 1,361,989	\$ 1,437,987	\$ 34,579
Postclosure Account Balance <i>(see formula below)</i>	See Above – C/PC	See Above – C/PC	See Above – C/PC
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/Post-Closure</p> <p>$\frac{\\$6,019,334 (CE) - \\$1,437,987 (CB)}{4,895,396 (RPC)} \times 36,949 (TR) = \\$34,579$</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: Philip Rath Title: City Administrator

Agency/Entity: City of Ottumwa

Address: 105 E Third Street

City: Ottumwa State: IA Zip: 52501

Telephone: 641-683-0600 Fax: 641-683-0609

Email Address: rathp@ottumwa.us

Signature of Official:  Date: 4/2/2026

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

ATTACHMENT A

Municipal Solid Waste Sanitary Landfill
CFO Letter & Local Government Financial Test



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

March 2026

Iowa Department of Natural Resources
Planning, Permitting & Engineering Services
6200 Park Ave Ste 200
Des Moines, IA 50321

Dear Sir or Madam:

I am the Finance Director for the City of Ottumwa, 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: Ottumwa-Wapello County Landfill Permit No: 90-SDP-01-75P
Address: 13277 165th Avenue, Ottumwa, Iowa 52501

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: \$	<u>3,422,408</u>
Postclosure Cost to be assured: \$	<u>2,596,926</u>
Corrective Action Cost to be assured \$	<u>207,910</u>

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

As Finance Director 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: *Cole S. O'Donnell*

Name: Cole S. O'Donnell Date: 04/02/2026

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 postclosure cost estimates being assured by the Financial Test	\$4,789,257	\$4,666,321
	From most recent annual auditor's report	From 2nd most recent annual auditor's report
2. Total Revenues	\$39,598,178	\$38,369,250
3. Total Expenditures	\$31,691,209	\$30,491,989
4. Current bond rating of most recent outstanding general obligation bonds	A1	A1

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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. There are no outstanding general obligation bonds that are currently in default.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Have financial statements (audit) been prepared in conformity with Generally Accepted Accounting Principles or with Other Comprehensive Basis of Accounting?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Is line 3 less than line 2 in each of the past two years?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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.	<input type="checkbox"/>	<input type="checkbox"/>
12. Is line 1 less than 43 percent of line 2?	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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.	<input checked="" type="checkbox"/>	<input type="checkbox"/>
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?	<input checked="" type="checkbox"/>	<input type="checkbox"/>

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.

ATTACHMENT B

Closure/Post-Closure Account Balance
(June 30, 2025)



STATEMENT OF CASH BALANCES AND TREASURER'S REPORT

6/30/2025

Fund #	Fund	Balance 5/31/2025	Receipts	Disbursements	Balance 6/30/2025
001	GENERAL OPERATING FUND	\$ 7,512,152.94	\$ 568,506.36	\$ (692,739.49)	\$ 7,387,919.81
002	PARKING RAMP	\$ 71,398.43	\$ 572.00	\$ (345.00)	\$ 71,625.43
003	ARPA	\$ 65.77	\$ -	\$ -	\$ 65.77
005	FRANCHISE FEES	\$ 113,840.82	\$ -	\$ -	\$ 113,840.82
110	ROAD USE TAX	\$ 2,842,953.70	\$ 803,999.68	\$ (104,737.92)	\$ 3,542,215.46
112	EMPLOYEE BENEFITS	\$ (429,876.81)	\$ -	\$ -	\$ (429,876.81)
119	EMERGENCY TAX	\$ 2,309.03	\$ -	\$ -	\$ 2,309.03
121	SALES TAX 1%	\$ 5,397,169.09	\$ 326,050.84	\$ -	\$ 5,723,219.93
125	WESTGATE TIF	\$ 689,688.48	\$ -	\$ -	\$ 689,688.48
126	AIRPORT TIF	\$ 210,938.88	\$ -	\$ -	\$ 210,938.88
128	WILDWOOD HWY 34 TIF	\$ 52,559.08	\$ -	\$ -	\$ 52,559.08
129	RISK MANAGEMENT	\$ 813,479.75	\$ -	\$ -	\$ 813,479.75
130	411 MEDICAL COSTS	\$ (68,451.92)	\$ -	\$ (11,144.15)	\$ (79,596.07)
131	AIRPORT	\$ 793,538.78	\$ 130,535.30	\$ (9,757.56)	\$ 914,316.52
133	LIBRARY	\$ 256,471.41	\$ 1,054.87	\$ (10,484.55)	\$ 247,041.73
135	CEMETERY	\$ 381,916.65	\$ 7,064.00	\$ (15,222.69)	\$ 373,757.96
137	HAZMAT	\$ 175,201.07	\$ -	\$ (19,323.17)	\$ 155,877.90
141	2023 UPPER STORY HSG CDBG	\$ 219,896.73	\$ -	\$ -	\$ 219,896.73
146	DOWNTOWN STR	\$ 151,069.79	\$ -	\$ -	\$ 151,069.79
147	CDBG P-2 MAS	\$ 18,725.25	\$ -	\$ -	\$ 18,725.25
151	OTHER BOND PROJECTS	\$ 3,374,537.71	\$ 205.00	\$ (95,137.56)	\$ 3,279,605.15
162	SSMID DISTRICT	\$ 273,589.56	\$ -	\$ -	\$ 273,589.56
167	FIRE BEQUEST	\$ 13,860.16	\$ 30.00	\$ -	\$ 13,890.16
171	RETIREE HEALTH	\$ 1.23	\$ -	\$ -	\$ 1.23
173	LIBRARY BEQUEST	\$ 176,795.49	\$ 56,795.43	\$ (5,423.55)	\$ 228,167.37
174	COMMUNITY DEVELOPMENT	\$ 256,405.75	\$ -	\$ -	\$ 256,405.75
175	POLICE BEQUEST	\$ 231,147.92	\$ 41.00	\$ (10,946.28)	\$ 220,242.64
176	REIMBURSEMENT GRANTS	\$ 1,901.08	\$ -	\$ -	\$ 1,901.08
177	HISTORIC PRESERVATION	\$ 19,724.34	\$ -	\$ -	\$ 19,724.34
200	DEBT SERVICE	\$ (3,452,509.11)	\$ -	\$ -	\$ (3,452,509.11)
301	STREET PROJECTS	\$ 3,832,914.21	\$ 149,372.82	\$ (158,088.10)	\$ 3,824,198.93
303	AIRPORT PROJECTS	\$ 420,021.02	\$ -	\$ (16,978.97)	\$ 403,042.05
307	SIDEWALK & CURB PROJECTS	\$ (30,809.62)	\$ -	\$ -	\$ (30,809.62)
309	PARK PROJECTS	\$ 295,763.64	\$ -	\$ (291,446.00)	\$ 4,317.64
310	EQUIPMENT PURCHASE	\$ 1,405,280.53	\$ -	\$ -	\$ 1,405,280.53
311	LEVEE PROJECTS	\$ 983,743.86	\$ -	\$ (26,739.15)	\$ 957,004.71
313	EVENT CENTER CONSTR	\$ 351,747.44	\$ -	\$ -	\$ 351,747.44
315	SEWER CONSTRUCTION	\$ 7,101,410.30	\$ 168,088.00	\$ (963,235.02)	\$ 6,306,263.28
501	CEMETERY MEMORIAL	\$ 1,090.43	\$ -	\$ -	\$ 1,090.43
503	CEMETERY PERPETUAL CARE	\$ 32,242.19	\$ 336.00	\$ (1,087.00)	\$ 31,491.19
610	SEWER UTILITY	\$ 3,271,037.92	\$ 661,828.42	\$ (151,989.02)	\$ 3,780,877.32
611	SEWER SINKING	\$ 793,454.82	\$ -	\$ -	\$ 793,454.82
613	SEWER IMPROVEMENT	\$ 5,029,894.11	\$ -	\$ -	\$ 5,029,894.11
670	LANDFILL	\$ 1,704,971.06	\$ 223,471.75	\$ (26,801.47)	\$ 1,901,641.34
671	LANDFILL RESERVE	\$ 1,437,987.03	\$ -	\$ -	\$ 1,437,987.03
673	RECYCLING	\$ 560,640.81	\$ 18,764.88	\$ (11,026.53)	\$ 568,379.16
690	TRANSIT FUND	\$ 665,757.87	\$ -	\$ -	\$ 665,757.87
720	BRIDGEVIEW EVENT CENTER	\$ (149,079.28)	\$ 240,000.00	\$ (50,040.00)	\$ 40,880.72
750	GOLF COURSE	\$ (81,774.82)	\$ 19,584.41	\$ (2,156.94)	\$ (64,347.35)
810	POOLED INVESTMENT	\$ (51,518,542.71)	\$ 404,999.92	\$ -	\$ (51,113,542.79)
820	PAYROLL CLEARING	\$ 210,127.93	\$ -	\$ (6,885.66)	\$ 203,242.27
860	PAYROLL CLEARING	\$ 7,379,640.13	\$ 11,200.28	\$ (1,904.44)	\$ 7,388,935.97
861	PAYROLL CLEARING	\$ 289,475.15	\$ 26,367.00	\$ -	\$ 315,842.15
862	DENTAL INSURANCE	\$ 48,491.50	\$ -	\$ -	\$ 48,491.50
863	LIFE INSURANCE	\$ 98,729.84	\$ -	\$ (4,826.49)	\$ 93,903.35
	TOTAL	\$ 4,234,716.41	\$ 3,818,867.96	\$ (2,688,466.71)	\$ 5,365,117.66