

Landfill Closure and Post-Closure Cost Estimating & Financial Assurance Permittee Action Guide May 3, 2013

Issue

- Inaccurate/low closure and post-closure care cost estimates and corresponding low amounts of financial assurance due to outdated representative unit costs, and landfill cost estimating worksheets that don't define all activities occurring at landfills due to updated engineering plans and drawings and operational changes

Procedure and Phase-In Schedule to Address Issue

- **Since the new closure and post-closure worksheets are designed to be used for five different types of landfills, a separate worksheet is needed for each landfill type and/or each permit number; omit quantities and costs for items that are not applicable to your facility and mark with NA; detailed guidance is provided through the instructions for each worksheet; post-closure cost estimates are only required for Subtitle Ds, SALs, and certain industrial and C&D landfills that have environmental monitoring requirements; the estimated life worksheet is only required for municipal solid waste landfills – Subtitle Ds and SALs**
- **KDHE – BWM is asking all landfill permittees to start now to prepare closure and post-closure costs estimates for permit renewals using our new worksheets by applying third party costs to all applicable items starting July 1, 2013 and going thru June 30, 2014; the options (defined in K.A.R. 28-29-2101) are:**
 - **Representative costs supplied by the Department (this permit renewal year KDHE is only supplying an inflation factor and a more complete list of activities that need to be priced); the rate of inflation is calculated to be 34.8% from 1998 thru 2012**
 - **Use invoices paid by the permittee for the same or similar work/activities**
 - **Use written bids from professional contractors having no financial interest in the facility or its use**
 - **Use authoritative costing tables issued by publishers recognized for their research into the costs of the activities to be priced**
- **KDHE-BWM will be looking for input during the next 12 months from permittees and consultants for suggestions to make further improvements to our new worksheets**
- **With your input KDHE-BWM will develop representative annual unit costs for 2014 permit renewal period, which starts July 1, 2014**
 - **During the period from July 2013 thru March 2014 unit cost data that was used to develop approvable cost estimates will be evaluated by KDHE to develop representative unit cost data for the annual permit renewal period of July 1, 2014-June 30, 2015**
 - **For submittals starting with the July 1, 2014 permit renewal period, permittees will need to hire an independent Kansas-licensed professional engineer to prepare updated closure and post-closure cost estimates priced in current dollars for your landfill operations for the period from July 1, 2014 thru June 30, 2015; the scope of work with your consultant will depend on the type of landfill and your consultant's analysis of unit cost data prepared by KDHE. Your professional engineer will need to certify that all applicable items are identified and priced using current dollars or adjusted for inflation for 2014 pricing; evaluation by your consulting engineer will be required in 5-year intervals or again for permit renewals occurring effective July 1, 2019 thru June 30, 2020**

Solid Waste Landfill Forms/Worksheets and Instructions

- Bureau of Waste Management: <http://www.kdheks.gov/waste/index.html>
- Closure - SWLF 500 (Excel spreadsheet)
- Post-Closure – SWLF 505 (Excel spreadsheet)
- Estimated Life Worksheet – SWLF 510 (Excel spreadsheet)

Cost Estimating Information Resources for Your Consideration

- R.S. Means Cost Works 2013, Site Work and Landscape
- Engineering News Record, 2013

Financial Assurance Information Resources

- A.M. Best – <http://www.ambest.com/>
- FDIC – <http://www2.fdic.gov/idasp/main.asp>
- U.S. Treasury Dept. Circular 570 – <http://www.fms.treas.gov/c570/c570.html>
- U.S. Dept. of Commerce, Bureau of Economic Analysis – <http://www.bea.gov/iTable/iTable.cfm?ReqID=9&step=1#reqid=9&step=3&isuri=1&903=13>
- Kansas Insurance Department: <http://www.ksinsurance.org/>
- Office of the State Bank Commissioner: <http://www.osbckansas.org/DOB/DOBFinancialInstitutionSearch/banklist.html>