



PERMIT AMENDMENT APPLICATION
Part III, Attachment 9

CLOSURE AND POST-CLOSURE CARE COST ESTIMATES

Edinburg Regional Disposal Facility

Edinburg, Hidalgo County, Texas

TCEQ Permit MSW-956C

Submitted To: City of Edinburg
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Professional Engineering Firm
Registration Number F-2578

INTENDED FOR PERMITTING
PURPOSES ONLY

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EXECUTIVE SUMMARY

30 TAC §§330.63(j) & 305.70(j)(30)

The City has included a cost estimate for closure and post-closure care in accordance with 30 TAC §330 Subchapter L and documentation required to demonstrate financial assurance as specified in 30 TAC §37 Subchapter R. The City may request as permit modification that does not require notice in accordance with 30 TAC §330.305(j)(30), for changes to a closure or post-closure care cost estimate required under 30 TAC §§330.503 or 330.507 that result in an increase/decrease in the amount of financial assurance required if the increase/decrease in the cost estimate is due to an increase/decrease in the maximum area requiring closure.

1.0 CLOSURE COST ESTIMATE

30 TAC §330.503(a)

The detailed written cost estimate, in current dollars, showing the cost of hiring a third party to close the largest waste fill area that could potentially be open in the year to follow and those areas that have not received final cover in accordance with Part III7, Closure Plan is included in Appendix III9A, TCEQ Closure Care Cost Estimate Form.

1.1 Annual Review

30 TAC §330.503(a)(1)

The City shall review the facility's permit conditions on an annual basis and verify that the current active areas match the areas on which closure cost estimates are based.

1.1.1 Closure Cost Increase

30 TAC §330.503(a)(2)

An increase in the closure cost estimate and the amount of financial assurance shall be made if changes to the final closure plan or the landfill conditions increase the maximum cost of closure at any time during the remaining active life of the unit.

1.1.2 Closure Cost Reduction

30 TAC §330.503(a)(3)

A reduction in the closure cost estimate and the amount of financial assurance may be approved if the cost estimate exceeds the maximum cost of closure at any time during the remaining life of the unit and the City has provided written notice to the TCEQ of the situation that includes a detailed justification for the reduction

of the closure cost estimate and the amount of financial assurance. The City may request a reduction in the cost estimate and the financial assurance as a permit modification in accordance with 30 TAC §330.305(j)(30).

1.2 Financial Assurance

30 TAC §330.503(b)

The City has established financial assurance for closure of the municipal solid waste units in accordance with 30 TAC §37, Subchapter R. Continuous financial assurance coverage for closure shall be provided until the facility is officially placed under the post-closure maintenance period and all requirements of Part III7, Closure Plan have been approved as evidenced in writing by the TCEQ.

In accordance with 30 TAC §37.131, during the active life of the facility, the current cost estimate will be adjusted annually for inflation within 60 days prior to the anniversary of the establishment of the financial instrument(s) used. The evidence of any additional financial assurance will be provided to the TCEQ within 30 days after the anniversary date of the first establishment of the financial assurance mechanism.

The adjustment for inflation may be made by recalculating the maximum cost of closure in current dollars, or by using an inflation factor derived from the most recent Implicit Price Deflator for Gross National Product published by the US Department of Commerce in the Survey of Current Business. The inflation factor is the result of dividing the latest published annual Deflator by the Deflator for the previous year. Multiplying the closure cost estimate by the inflation factor makes the first adjustment. The result is the adjusted closure cost estimate. Multiplying the latest adjusted closure cost estimate by the latest inflation factor makes subsequent adjustments. If the TCEQ approves a revised closure cost estimate prior to the annual inflation update, an additional update for inflation only is not required. The regular annual inflation update will resume the following year.

In accordance with 30 TAC §330.63(j), a copy of the financial assurance documentation for closure of the facility is included in Appendix III9C, Current Evidence of Financial Assurance.

2.0 POST-CLOSURE CARE COST ESTIMATE

30 TAC §330.507(a)

The City has provided in Appendix III9B, TCEQ Post-Closure Care Cost Estimate Form a detailed written cost estimate, in current dollars, of the cost of hiring a third party to conduct post-closure care activities for the municipal solid waste units, in accordance with the post-closure care plan. The post-closure care cost estimate used to demonstrate financial assurance in 30 TAC §330.507(b) shall account for the total costs of conducting post-closure care for the largest area that could possibly require post-closure care in the year

to follow, including annual and periodic costs as described in the post-closure care plan over the entire post-closure care period.

2.1 Annual Review

2.1.1 Increase in Post-Closure Care Cost Estimate

30 TAC §330.507(a)(1)

An increase in the post-closure care cost estimate and the amount of financial assurance provided under 30 TAC §330.507(b) shall be made if changes in the post-closure care plan or the unit conditions increase the maximum costs of post-closure care.

2.1.2 Reduction in Post-Closure Care Cost Estimate

30 TAC §330.507(a)(2)

A reduction in the post-closure care cost estimate and the amount of financial assurance provided under 30 TAC §330.507(b) may be allowed if the cost estimate exceeds the maximum costs of post-closure care remaining over the post-closure care period and the City has provided written notice to the TCEQ of the detailed justification for the reduction of the post-closure cost estimate and the amount of financial assurance. The City may request a reduction in the cost estimate and the financial assurance as a permit modification in accordance with 30 TAC §330.305(j)(30).

2.2 Financial Assurance

30 TAC §330.507(b)

The City has established financial assurance for the costs of post-closure care of the unit in accordance with 30 TAC §37, Subchapter R. Continuous financial assurance coverage for post-closure care shall be provided until the facility is officially released in writing by the TCEQ from the post-closure care period in accordance with all requirements of the Part III8, Post-Closure Care Plan.

In accordance with 30 TAC §37.131, during the active life of the facility, the current cost estimate will be adjusted annually for inflation within 60 days prior to the anniversary of the establishment of the financial instrument(s) used. The evidence of any additional financial assurance will be provided to the TCEQ within 30 days after the anniversary date of the first establishment of the financial assurance mechanism.

The inflation adjustment may be made by recalculating the maximum cost of closure in current dollars, or by using an inflation factor derived from the most recent Implicit Price Deflator for Gross National Product published by the US Department of Commerce in the Survey of Current Business. The inflation factor is the result of dividing the latest published annual Deflator by the Deflator for the previous year. Multiplying the

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closure cost estimate by the inflation factor makes the first adjustment. The result is the adjusted closure cost estimate. Multiplying the latest adjusted closure cost estimate by the latest inflation factor makes subsequent adjustments. If the TCEQ approves a revised post-closure cost estimate prior to the annual inflation update, an additional update for inflation only is not required. The regular annual inflation update will resume the following year.

In accordance with 30 TAC §330.63(j), a copy of the financial assurance documentation for post closure care of the existing facility is included in Appendix III9C, Current Evidence of Financial Assurance.