

To: Legal Issues Subcommittee

From: Vance M. Croney, Benton County Counsel
Jeffrey G. Condit, Attorney at Law

Date: December 12, 2022

Question: Who is responsible for complying with landfill closure and post-closure obligations?

Answer: DEQ regulations require up-front and ongoing financial assurance to cover the cost of closure, post-closure, and corrective actions. Where this preliminary line of defense fails, Oregon statute holds any person owning or controlling the disposal site liable for closure and post-closure maintenance.

DEQ regulations require up-front and ongoing financial assurance to cover the cost of closure and post-closure obligations, as well as the cost of any required corrective action. OAR 340-094-0140. The owner or operator of a landfill must provide the required financial assurance by the time DEQ issues the solid waste permit (for new landfills) or no later than October 9, 1997 (for landfills already in operation on November 4, 1993). OAR 340-094-0140(3)(a).

The owner or operator is required to update its financial assurance plan annually, and the amount of the financial assurance mechanism must be increased (or may be reduced) consistent with each financial assurance plan update. OAR 340-094-0140(6)(e). A copy of the most recent annual financial assurance plan submitted by Valley Landfills, Inc. is attached hereto.

The owner or operator is restricted to certain allowable "financial assurance mechanisms," each of which is designed to ensure that funds will be available to complete closure, post-closure, and corrective action obligations, even if the owner or operator becomes insolvent or otherwise fails to satisfy those obligations. The allowable financial assurance mechanisms include:

- a. A trust fund whose purpose is to receive and manage funds paid by the permittee and to disburse those funds only for closure, post closure, or correction activities.
- b. A surety bond guaranteeing payment into a standby trust fund for closure or post-closure activities.
- c. A surety bond guaranteeing performance of closure, post-closure, or corrective action activities.
- d. An irrevocable letter of credit in conjunction with a standby trust fund.
- e. A closure or post-closure insurance policy guaranteeing that funds will be available to complete final closure and post-closure maintenance of the site.
- f. A corporate guarantee from an entity that passes a specified financial test, and which is subject to replacement by a substitute financial assurance mechanism if the guarantor no longer meets the financial test criteria.

- g. Alternative forms of financial assurance, so long as they provide an equivalent level of security as the specified mechanisms and are approved by DEQ.

OAR 340-094-0145.

Finally, if the owner or operator of the landfill fails to provide the required financial assurance, and also fails to satisfy its closure and post-closure obligations, then each person owning or controlling the property on which the disposal site is located will be liable for those closure and post-closure obligations per ORS 459.205 and 459.268. Under a recent Oregon Supreme Court decision, both a person who actually exercises control over the site and a person with legal authority to control the site are liable for closure and post-closure activities. *Kinzua Res., LLC v. Oregon Dep't of Env'tl. Quality*, 366 Or 674, 686, 468 P3d 410 (2020). Accordingly, an entity or individual with legal authority to control the site can be liable under ORS 459.205 and 459.268, even if such entity or individual does not operate the landfill or directly hold title to the site. The Oregon Supreme Court has also held that liability under ORS 459.205 and 459.268 is direct liability for that person's own failure to satisfy closure or post-closure obligations, such that ORS 63.165 (part of the Oregon Limited Liability Act) may not serve to protect a member of an LLC from such liability.



28972 Coffin Butte Rd Corvallis, OR 97330
o 541.745.5792 f 541.230.5534 republicservices.com

March 28, 2022

Oregon Department of Environmental Quality
Attention: Brian Fuller
Manager, Western Region Materials Management
165 East 7th Avenue, Suite 100
Eugene, OR 97401

RE: 2022 Annual Recertification of Financial Assurance, Coffin Butte Landfill, Benton
County, Oregon, Solid Waste Permit No. 306

Dear Mr. Fuller:

Enclosed are the updated closure and post-closure cost estimates for the Coffin Butte Landfill. Geo-Logic Associates updated the cost estimates and utilized the current DEQ rate of 2.93% for solid waste disposal sites to incorporate future inflation and discounting in the post-closure estimate. The estimates are provided under Attachments A and B.

Updated bonds of \$16,222,800 to cover the cost to close the landfill and of \$5,743,202 to provide post-closure maintenance for 30 years are provided under Attachment C. The "Annual Recertification of Financial Assurance" is provided under Attachment D in the enclosed Financial Assurance Plan.

Valley Landfills, Inc. respectfully requests that Oregon DEQ provide a written response documenting the receipt and acceptance of the updated closure/post-closure cost estimates. Please contact me at (541) 286-8749 if you have any questions or need any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Edmonds".

Shawn Edmonds
General Manager
Valley Landfills, Inc.

Attachment A

Estimated Closure Cost
Coffin Butte Landfill



March 17, 2022
Project No. AU22.1037.00

Mr. Ian Macnab
Environmental Manager
Republic Services
28972 Coffin Butte Road
Corvallis, OR 97330

SUBJECT: Coffin Butte Landfill Closure and Post-Closure Cost Estimate

Dear Ian,

Attached are closure and post-closure cost estimates for the Coffin Butte Landfill in Benton County, Oregon. The costs are for closing and maintaining the existing solid waste footprint areas that have received waste to date through Cell 5D. The closure design, construction standards and post-closure care assumptions meet the current regulations in the State of Oregon, and are complete and accurate to the best of my knowledge. The cost basis and assumptions included in the attached spreadsheets are based on engineering estimates, previous bids, and/or data provided by Republic.

Sincerely,

Geo-Logic Associates, Inc.

Aaron Ogorzalek, P.E.
Project Manager

Attachments



EXP. 12/31/2022

COFFIN BUTTE LANDFILL
CLOSURE CONSTRUCTION COST ESTIMATE FOR REMAINING OPEN AREAS
For Year 2022

Bid Item No.	Description	Unit	Estimated Quantity	Unit Price	Amount
ITEMS COMMON TO ALL CELLS					
1	Mobilization @ 5% earthwork items	LS	1	\$ 716,390.00	\$ 716,000
2	Surveying @ 1.5%	LS	1	\$ 214,917.00	\$ 215,000
3	Engineering @ 4%	LS	1	\$ 573,112.00	\$ 573,000
4	Flare Station (Already installed in 2002/2003)	LS	1	\$ -	\$ -
Remainder of uncover area in March 2022 through Cell 5D =		Acre	85.2		
5	Gas venting layer (geocomposite) ¹	SF	3,710,441	\$ 0.47	\$ 1,739,632
6	Subgrade preparation (regrading for drainage and foundation layer) ¹	Acre	85.2	\$ 9,179.67	\$ 781,925
7	18" Soil 10-5 cm/s ¹	CY	257,670	\$ 18.10	\$ 4,664,828
8	Construction Water ¹	Acre	85.2	\$ 229.49	\$ 19,549
9	Vegetative Layer and Topsoil amendment (18") ¹	CY	206,136	\$ 11.64	\$ 2,398,584
10	Bench and Perim Drainage Ditch and Road ¹	LF	20,929	\$ 28.69	\$ 600,380
11	Geomembrane (60-mil text. LLDPE supergrip drain iner) ¹	SF	3,895,963	\$ 0.66	\$ 2,573,865
12	Geosynthetic tie-ins (cleaning and tie-ins) ¹	LF	6,434	\$ 22.95	\$ 147,655
13	Geotextile Separator (8 oz NWNP) ¹	SF	3,895,963	\$ 0.15	\$ 581,160
14	Geomembrane Pipe Boots for LFG ¹	EA	128	\$ 298.34	\$ 38,119
15	LFG Piping over/under final cover (supplement existing) ¹	Acre	85.2	\$ 6,222.89	\$ 530,066
16	Hydroseeding ¹	Acre	85.2	\$ 2,282.44	\$ 194,418
17	Erosion Control ¹	LS	1	\$ 11,474.59	\$ 11,475
18	Access Road/Ditch to Top Deck ¹	LF	1,609	\$ 28.69	\$ 46,144
19	CQA ¹	Acre	85.2	\$ 4,589.83	\$ 391,000
TOTAL ESTIMATE					\$ 16,222,800

Notes: ¹ - Unit price obtained from 2021 estimates multiplied by the annualized Reference Inflation Rate of 2.93%, based on Oregon DEQ's Memorandum dated 2/17/2022, Subject: Rates for Calculating Financial Assurance Updates.

Attachment B

Estimated Post-Closure Cost
Coffin Butte Landfill

Post-Closure Costs for Year 1 ⁽¹⁾
Coffin Butte Landfill, DEQ Permit Number: 306

OWNER: Valley Landfills, Inc.
 28972 Coffin Butte Rd
 Corvallis, OR 97330

For Year: 2022
 Prepared: 17-Mar-22
 Total Closed Area (Acres): 126.8

ITEM	Year 1 Quantity	UNIT	FREQUENCY	UNIT	UNIT PRICE	UNIT	YEAR 1 TOTAL
Landfill Closure Cap Cost:							
Final Cover Repairs and Grading ⁽²⁾	1.3	ACRE	500	CY/AC	\$10.00	\$/CY	\$6,500
Revegetation & Weed Control ⁽²⁾	1.3	ACRE	1	YEAR	\$1,000	\$/ACRE	\$1,300
Road & Toe Ditch Maintenance ⁽²⁾	326.0	LF	1	YEAR	\$15.00	\$/LF	\$4,891
Landfill Closure Cap Subtotal							\$12,691

Leachate Collection & Disposal:							
Electricity ⁽⁸⁾	5	PUMPS	5.0	HP	\$0.0595	\$/KW-HR	\$3,295
Leachate Disposal ⁽³⁾⁽⁴⁾	126.8	ACRE	385	GAL/AC/DAY	\$0.076	\$/GAL	\$1,354,496
System Repairs			1	YEAR	\$2,500.00	\$/YEAR	\$2,500
Operation Inspection / O&M			416	HR/YR	\$42.00	\$/HR	\$17,472
Leachate Collection & Disposal Subtotal							\$1,377,763

Gas System Operation & Maintenance:							
Electricity ⁽⁸⁾⁽⁹⁾	1	BLOWERS	50	HP/BLOWER	\$0.0595	\$/KW-HR	\$19,434
Condensate Off-Site Disposal ⁽⁴⁾	8,294,452	CY Waste	86,428	GAL/YEAR	\$0.000	\$/GAL	\$0
Flare Station Repair	1	FLARES	1	EVENTS	\$2,500	\$/YEAR	\$2,500
Well Maintenance ⁽⁵⁾	15.0	WELLS	1	YEAR	\$500	\$/WELL	\$7,500
Header System Repair ⁽⁵⁾	5,000	LF	1	YEAR	\$0.75	\$/LF	\$3,750
Operation Inspection / O&M / Well Field Balancing			416	HRS/YEAR	\$25.00	\$/HR	\$10,400
Gas System Operation & Maintenance Subtotal							\$43,584

Environmental Monitoring:							
Gas Probe Testing ⁽⁶⁾	5	PROBES	4	EVENTS	\$0.00	\$/PROBE	\$0
WQ Sampling-Semi-Annual Event ⁽⁷⁾			1	EVENT	\$6,700.00	\$/EVENT	\$6,700
WQ Sampling-Annual Event			1	EVENT	\$9,300.00	\$/EVENT	\$9,300
Semi-Annual Event Analytical - All Sites ⁽⁷⁾			1	EVENT	\$3,600.00	\$/EVENT	\$3,600
Annual Event Analytical - All Sites			1	EVENT	\$11,200.00	\$/EVENT	\$11,200
Air Monitoring (NSPS)	1		4	EVENTS	\$1,175.00	\$/EVENT	\$4,700
Air Monitoring (NSPS & Title V Reporting)	1		2	EVENTS	\$1,450.00	\$/EVENT	\$2,900
Database Management & Statistics			2	EVENTS	\$2,500.00	\$/EVENT	\$5,000
Annual Reporting and Coordination			1	EVENT	\$11,000.00	\$/EVENT	\$11,000
Environmental Monitoring Subtotal							\$54,400

Miscellaneous:							
Fence Maintenance and Security	50	LF	1	YEAR	\$15.00	\$/LF	\$750
Building & Sign Maintenance			1	YEAR	\$2,500.00	\$/YEAR	\$2,500
Site Management and Administration			208	HOURS	\$45.00	\$/HR	\$9,360
Miscellaneous Subtotal							\$12,610

TOTAL POST-CLOSURE COST (For Year 1) \$1,501,047

Notes:

- (1) Year 1 costs are used as the basis for future post closure costs. Future costs are a percentage of the Year 1 costs.
- (2) Year 1 quantities assumed to be 1% of the Total Closed Area and 1% of the Total Ditch Length
- (3) Leachate Generation: the Year 1 quantity is assumed to be 70% of historic leachate collection (24.8 MG, based on 2020 leachate collection records) because of final closure. Condensate quantity is included in the leachate quantity.
- (4) Leachate & Condensate Disposal Cost = \$0.076/gal haul & disposal to Corvallis (updated 3/5/2019, confirmed 3/17/2022)
- (5) Assumed may repair 5% of total system each year.
- (6) Gas Probe Testing will be conducted by the person conducting the "Operation Inspection / O&M / Well Field Balancing".
- (7) Groundwater, surface water, leachate, & underdrain sampling locations and analytical parameter vary by event - 1 semi-annual event in April 1, 1 annual event in October. Costs estimated by Eric Tuppan, Tuppan Consultants LLC to reflect long term monitoring program enacted in 2012.
- (8) Power Rate = \$0.0595/kwh from Consumers Power Inc. rate sheet, confirmed 3/4/2021; 3/17/2022 - no update.
- (9) Assumes PNGC will continue to operate gas-to-energy plant until gas rates diminish to on-site flare -only mode.

Post-Closure Expenditure Schedule

Coffin Butte Landfill, DEQ Permit Number: 306

OWNER: Valley Landfills, Inc.
28972 Coffin Butte Rd
Corvallis, OR 97330
(541) 230-5534

For Year: 2022
Prepared: 17-Mar-22
Total Closed Area (Acres): 126.8

Current (2022) DEQ Discount Rate for MSW Landfills⁽¹⁾: 0.00%

YEAR	1	2	3	4	5	6	7	8	9	10
PERCENT OF YEAR 1 COSTS										
Landfill Closure Cap Cost:	100%	75%	75%	50%	50%	50%	50%	50%	50%	50%
Leachate Collection & Disposal:	100%	50%	25%	13%	7.0%	5.27%	4.45%	3.75%	3.16%	2.67%
Gas System Operation & Maintenance:	100%	100%	100%	100%	95%	95%	95%	95%	95%	70%
Environmental Monitoring:	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Miscellaneous:	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
POST-CLOSURE CASH EXPENDITURES										
Landfill Closure Cap Cost:	\$12,691	\$9,518	\$9,518	\$6,346	\$6,346	\$6,346	\$6,346	\$6,346	\$6,346	\$6,346
Leachate Collection & Disposal:	\$1,377,763	\$688,881	\$344,441	\$179,109	\$96,443	\$72,608	\$61,310	\$51,666	\$43,537	\$36,786
Gas System Operation & Maintenance:	\$43,584	\$43,584	\$43,584	\$43,584	\$41,405	\$41,405	\$41,405	\$41,405	\$41,405	\$30,509
Environmental Monitoring:	\$54,400	\$54,400	\$54,400	\$54,400	\$54,400	\$54,400	\$54,400	\$54,400	\$54,400	\$54,400
Miscellaneous:	\$12,610	\$12,610	\$12,610	\$12,610	\$12,610	\$12,610	\$12,610	\$12,610	\$12,610	\$12,610
TOTALS	\$1,501,048	\$808,993	\$464,553	\$296,049	\$211,204	\$187,369	\$176,071	\$166,427	\$158,298	\$140,651
<i>NPV using the Current DEQ Discount Rate</i>	<i>\$1,501,048</i>	<i>\$808,993</i>	<i>\$464,553</i>	<i>\$296,049</i>	<i>\$211,204</i>	<i>\$187,369</i>	<i>\$176,071</i>	<i>\$166,427</i>	<i>\$158,298</i>	<i>\$140,651</i>

YEAR	11	12	13	14	15	16	17	18	19	20
PERCENT OF YEAR 1 COSTS										
Landfill Closure Cap Cost:	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Leachate Collection & Disposal:	2.25%	1.90%	1.60%	1.35%	1.14%	0.96%	0.81%	0.69%	0.58%	0.49%
Gas System Operation & Maintenance:	70%	70%	70%	70%	50%	50%	50%	50%	50%	40%
Environmental Monitoring:	100%	100%	100%	100%	100%	50%	50%	50%	50%	50%
Miscellaneous:	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
POST-CLOSURE CASH EXPENDITURES										
Landfill Closure Cap Cost:	\$6,346	\$6,346	\$6,346	\$6,346	\$6,346	\$6,346	\$6,346	\$6,346	\$6,346	\$6,346
Leachate Collection & Disposal:	\$31,000	\$26,177	\$22,044	\$18,600	\$15,706	\$13,227	\$11,160	\$9,507	\$7,991	\$6,751
Gas System Operation & Maintenance:	\$30,509	\$30,509	\$30,509	\$30,509	\$21,792	\$21,792	\$21,792	\$21,792	\$21,792	\$17,433
Environmental Monitoring:	\$54,400	\$54,400	\$54,400	\$54,400	\$54,400	\$27,200	\$27,200	\$27,200	\$27,200	\$27,200
Miscellaneous:	\$12,610	\$12,610	\$12,610	\$12,610	\$12,610	\$12,610	\$12,610	\$12,610	\$12,610	\$12,610
TOTALS	\$134,865	\$130,042	\$125,909	\$122,465	\$110,854	\$81,175	\$79,108	\$77,455	\$75,939	\$70,340
<i>NPV using the Current DEQ Discount Rate</i>	<i>\$134,865</i>	<i>\$130,042</i>	<i>\$125,909</i>	<i>\$122,465</i>	<i>\$110,854</i>	<i>\$81,175</i>	<i>\$79,108</i>	<i>\$77,455</i>	<i>\$75,939</i>	<i>\$70,340</i>

YEAR	21	22	23	24	25	26	27	28	29	30
PERCENT OF YEAR 1 COSTS										
Landfill Closure Cap Cost:	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Leachate Collection & Disposal:	0.41%	0.35%	0.29%	0.25%	0.21%	0.18%	0.15%	0.13%	0.11%	0.09%
Gas System Operation & Maintenance:	40%	40%	40%	40%	25%	25%	25%	25%	25%	20%
Environmental Monitoring:	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Miscellaneous:	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
POST-CLOSURE CASH EXPENDITURES										
Landfill Closure Cap Cost:	\$6,346	\$6,346	\$6,346	\$6,346	\$6,346	\$6,346	\$6,346	\$6,346	\$6,346	\$6,346
Leachate Collection & Disposal:	\$5,649	\$4,822	\$3,996	\$3,444	\$2,893	\$2,480	\$2,067	\$1,791	\$1,516	\$1,240
Gas System Operation & Maintenance:	\$17,433	\$17,433	\$17,433	\$17,433	\$10,896	\$10,896	\$10,896	\$10,896	\$10,896	\$8,717
Environmental Monitoring:	\$27,200	\$27,200	\$27,200	\$27,200	\$27,200	\$27,200	\$27,200	\$27,200	\$27,200	\$27,200
Miscellaneous:	\$12,610	\$12,610	\$12,610	\$12,610	\$12,610	\$12,610	\$12,610	\$12,610	\$12,610	\$12,610
TOTALS	\$69,238	\$68,411	\$67,585	\$67,033	\$59,945	\$59,532	\$59,119	\$58,843	\$58,568	\$56,113
<i>NPV using the Current DEQ Discount Rate</i>	<i>\$69,238</i>	<i>\$68,411</i>	<i>\$67,585</i>	<i>\$67,033</i>	<i>\$59,945</i>	<i>\$59,532</i>	<i>\$59,119</i>	<i>\$58,843</i>	<i>\$58,568</i>	<i>\$56,113</i>

NPV Total 30 Year Post-Closure Costs = \$5,743,202

Notes:

- (1) The Discount Rate is DEQ's reference rate for MSW Landfills for 2022 as provided by Oregon DEQ website. The discount rate is negative (-2.11%) this year, so no discount (0.00%) will be taken.
- (2) The Landfill Closure Cap Cost percentages match the percentages used in the previous PC cost estimates.
- (3) Leachate Collection & Disposal percentages: Years 2-5 the leachate generation rate is reduced 50% of the prior year until the rate equals 7% of Year 1, which is about 5% of the last operating year. After year 5, the leachate generation drops steadily until year 30 to meet the post-closure leachate generation rate modeled by the HELP analysis in the Year 2000 Site Development Plan.
- (4) The Gas System Operation & Maintenance percentages match the percentages used in the previous PC cost estimates.
- (5) The Environmental Monitoring percentages reduce to 50% after year 15.

Materials Management Program

Rates for Calculating Financial Assurance Updates



State of Oregon
Department of
Environmental
Quality

**Land Quality
Program:
Materials
Management**
400 E. Scenic Drive
Suite 307
The Dalles, OR 97058
Phone: 541-639-7145
Contact: [Jamie Jones](mailto:Jamie.Jones@deq.state.or.us)
www.oregon.gov/DEQ

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restoring, maintaining
and enhancing the
quality of Oregon's
air, land and water.*

Municipal Solid Waste Disposal Site Reference Rate

This information is intended to assist in calculating costs associated with closure and post-closure activities for those solid waste disposal sites that are required to submit annual financial assurance updates.

This rate combines inflation and discount rates (specified by rule) into a single inflation-adjusted rate for discounting.

For July 1, 2021 through June 30, 2022 the MSW Reference Rate is -2.11%

Non-Municipal Solid Waste Disposal Site Inflation and Discount Rates

Inflation Rate: DEQ provides inflation-rate guidance each February based on a three-year moving average. The rate for calendar year 2022 is 2.93%. However, if the discount rate (determined below) is less than the guidance inflation rate, use the discount rate as the inflation rate, as well.

Discount Rate: Non-Municipal discount rate must be taken from Federal Reserve H.15 report issued on Monday of the week when calculations are done. The correct five-year bond rate to use is found in the "Nominal" section. Use the column that shows the average rate for the previous week. Please print and submit a copy of that page of the report with your Annual Financial Assurance Recertification as the figures may change weekly.

Current H.15 report: <http://www.federalreserve.gov/releases/h15/current>

Note: If inflation rate is greater than discount rate contact your local permit writer or permit coordinator for additional information.

Links to Applicable Oregon Administrative Rules

For Municipal Solid Waste Landfill Sites - OAR 340-094-0140(4)(a) Cost Estimates:
<https://secure.sos.state.or.us/oard/viewSingleRule.action?ruleVrsnRsn=71246>

For Non-Municipal Solid Waste Sites - OAR 340-095-0090(4)(a) Cost Estimates:
<https://secure.sos.state.or.us/oard/viewSingleRule.action?ruleVrsnRsn=71300>

Alternative formats

DEQ can provide documents in an alternate format or in a language other than English upon request. Call DEQ at 800-452-4011 or email deqinfo@deq.state.or.us.



State of Oregon Department of Environmental Quality

Financial Assurance Update for 2022: How to Adjust Cost Estimates For Inflation

Contact: [Jamie Jones](#), DEQ Solid Waste Financial Assurance Lead
Materials Management – Eastern Region

Summary

This memo provides information for permitted facilities on how to incorporate inflation into financial assurance cost estimates. Facilities must provide annual updates of cost estimates to DEQ.

Cost adjustment options

Permittees required to maintain financial assurance for estimated closure, post-closure care, and (if required) corrective action costs, are required to adjust their cost estimates annually for inflation.

Reference: [OAR 340-094-0140\(6\)\(e\)\(A\)\(i\)](#) and [OAR 340-095-0090\(6\)\(d\)\(A\)\(i\)](#)

There are two options permittees may use to adjust their cost estimates for inflation:

- **Option 1:** Have a State of Oregon Registered Professional Engineer recalculate the cost estimates in current year dollars each year (this must be used in certain situations); or
- **Option 2:** Use the method described in this memo. DEQ developed this method based on data from the [U.S. Bureau of Economic Analysis](#).

Please note, option 1 listed above must be used in the following situations:

- The scope of work, design, or facility conditions have changed resulting in an increase or decrease in the estimated maximum costs of closure, post-closure care, or (if required) corrective action since the previous review. Examples include (but are not limited to) the installation or removal of monitoring wells, the expansion of a surface impoundment, a stormwater or leachate collection system design change, or a change in final cover design. *Reference: [OAR 340-094-0140\(6\)\(e\)\(A\)\(ii\)](#) and [OAR 340-095-0090\(6\)\(d\)\(A\)\(ii\)](#)*
- For Municipal Solid Waste Landfills, if the permittee chooses to discount their financial assurance cost estimates. *Reference: [OAR 340-094-0140\(6\)\(d\)\(B\)](#)*

Calculation instructions

Refer to the table to calculate an inflation adjustment. In the “Value” column, look up the GDP implicit price deflator value for the **current** year and quarter for which you are making the calculation. Divide that by the price deflator value for the year and quarter of the original estimate. Multiply that amount by the **original** cost estimate. The result represents the original cost estimate inflation-adjusted to current dollars.

Example

A closure-cost estimate completed in September of 2016 was \$3,000,000. The scope of work, design, and facility conditions have NOT changed since the original cost estimate.

The inflation-adjusted cost for Oct 2022 (Q-IV) is calculated as follows:

$$2022 \text{ Q-IV} = 125.479 \quad \text{Implicit price deflator value for}$$

$$2016 \text{ Q-III} = 105.929 \quad \text{Implicit price deflator value for}$$

Inflation-adjusted cost estimate in current dollars =

$$\$3,000,000 \times \frac{125.479}{105.929} = \$3,553,685$$

How to submit the update

Submit the updated cost estimates to the DEQ office identified in your solid waste disposal site permit. Please include a copy of this memo and a copy of the original cost estimates with the submittal.

Alternative formats

DEQ can provide documents in an alternate format or in a language other than English upon request. Call DEQ at 800-452-4011 or email deqinfo@deq.state.or.us.

Type	Year	Quarter	Value	Q to Q Rate Annualized
	2012	I	99.313	
	2012	II	99.713	1.62%
	2012	III	100.230	2.09%
	2012	IV	100.738	2.04%
	2013	I	101.141	1.61%
	2013	II	101.428	1.14%
	2013	III	101.906	1.90%
	2013	IV	102.515	2.41%
	2014	I	102.942	1.68%
	2014	II	103.525	2.28%
	2014	III	103.977	1.76%
	2014	IV	104.150	0.67%
	2015	I	104.113	-0.14%
	2015	II	104.677	2.18%
	2015	III	104.989	1.20%
	2015	IV	104.979	-0.04%
	2016	I	104.895	-0.32%
	2016	II	105.636	2.86%
	2016	III	105.929	1.11%
	2016	IV	106.487	2.12%
	2017	I	107.025	2.04%
	2017	II	107.369	1.29%
	2017	III	107.903	2.00%
	2017	IV	108.670	2.87%
	2018	I	109.261	2.19%
	2018	II	110.234	3.61%
	2018	III	110.597	1.32%
	2018	IV	111.175	2.11%
	2019	I	111.514	1.23%
	2019	II	112.152	2.31%
	2019	III	112.517	1.31%
	2019	IV	112.978	1.65%
	2020	I	113.346	1.31%
	2020	II	112.859	-1.71%
	2020	III	113.888	3.70%
	2020	IV	114.439	1.95%
	2021	I	115.652	4.31%
	2021	II	117.413	6.23%
	2021	III	119.115	5.93%
	2021	IV	121.137	6.96%
Projection	2022	I	122.015	2.93%
	2022	II	122.899	2.93%
	2022	III	123.790	2.93%
	2022	IV	124.687	2.93%
	2023	I	125.591	2.93%



2022 DEQ Guidance Inflation Rate

Attachment C

Financial Assurance Mechanism
Coffin Butte Landfill

INCREASE PENALTY RIDER

BOND AMOUNT \$15,186,533.00

BOND NO. 850408

To be attached and form a part of Bond No. 850408, executed by Evergreen National Indemnity Company as surety, on behalf of Valley Landfills, Inc. as current principal of record, and in favor of Oregon Department of Environmental Quality, as Obligee for Closure Coffin Butte Landfill, and in the amount of Fifteen Million One Hundred Eighty Six Thousand Five Hundred Thirty Three Dollars and 00/100 (\$15,186,533.00).

In consideration of the agreed premium charged for this bond, it is understood and agreed that Evergreen National Indemnity Company hereby consents that effective from the 1st Day of April, 2022, said bond shall be amended as follows:

THE BOND PENALTY SHALL BE INCREASED:

FROM: Fifteen Million One Hundred Eighty Six Thousand Five Hundred Thirty Three Dollars and 00/100 (\$15,186,533.00)

TO: Sixteen Million Two Hundred Twenty Two Thousand Eight Hundred Dollars and 00/100 (\$16,222,800.00) Closure

The INCREASE of said bond penalty shall be effective as of the 1st Day of April, 2022.

Signed, sealed and dated this 30th Day of March, 2022.

Evergreen National Indemnity Company
SURETY

BY : 
Debbie Lindstrom, ATTORNEY-IN-FACT



EVERGREEN NATIONAL INDEMNITY COMPANY

**MAYFIELD HEIGHTS, OH
POWER OF ATTORNEY**

POWER NO. 850408

KNOW ALL MEN BY THESE PRESENTS: That the Evergreen National Indemnity Company, a corporation in the State of Ohio does hereby nominate, constitute and appoint:

Debbie Lindstrom

its true and lawful Attorney(s)-In-Fact to make, execute, attest, seal and deliver for and on its behalf, as Surety, and as its act and deed, where required, any and all bonds, undertakings, recognizances and written obligations in the nature thereof, PROVIDED, however, that the obligation of the Company under this Power of Attorney shall not exceed

This Power of Attorney is granted and is signed by facsimile pursuant to the following Resolution adopted by its Board of Directors on the 23rd day of July, 2004:

"RESOLVED, That any two officers of the Company have the authority to make, execute and deliver a Power of Attorney constituting as Attorney(s)-in-fact such persons, firms, or corporations as may be selected from time to time.
FURTHER RESOLVED, that the signatures of such officers and the Seal of the Company may be affixed to any such Power of Attorney or any certificate relating thereto by facsimile; and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company; and any such powers so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the Evergreen National Indemnity Company has caused its corporate seal to be affixed hereunto, and these presents to be signed by its duly authorized officers this 1st day of June, 2017.

EVERGREEN NATIONAL INDEMNITY COMPANY



By: *Matthew T. Tucker*

Matthew T. Tucker, President

By: *David A. Canzone*

David A. Canzone, CFO

Notary Public)
State of Ohio)

SS:

On this 1st day of June, 2017, before the subscriber, a Notary for the State of Ohio, duly commissioned and qualified, personally came Matthew T. Tucker and David A. Canzone of the Evergreen National Indemnity Company, to me personally known to be the individuals and officers described herein, and who executed the preceding instrument and acknowledged the execution of the same and being by me duly sworn, deposed and said that they are the officers of said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and signatures as officers were duly affixed and subscribed to the said instrument by the authority and direction of said Corporation, and that the resolution of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at Cleveland, Ohio, the day and year above written.



PENNY M HAMM
NOTARY PUBLIC
STATE OF OHIO
Comm. Expires
04-04-2022

Penny M. Hamm

Penny M. Hamm, Notary Public
My Commission Expires April 4, 2022

State of Ohio)

SS:

I, the undersigned, Secretary of the Evergreen National Indemnity Company, a stock corporation of the State of Ohio, DO HEREBY CERTIFY that the foregoing Power of Attorney remains in full force and has not been revoked; and furthermore that the Resolution of the Board of Directors, set forth herein above, is now in force.

Signed and sealed in Mayfield Hts, Ohio this 30th day of March 2022.



Wan C. Collier

Wan C. Collier, Secretary

INCREASE PENALTY RIDER

BOND AMOUNT \$5,690,338.00

BOND NO. 850409

To be attached and form a part of Bond No. 850409, executed by Evergreen National Indemnity Company as surety, on behalf of Valley Landfills, Inc. as current principal of record, and in favor of Oregon Department of Environmental Quality, as Obligee for Post Closure, and in the amount of Five Million Six Hundred Ninety Thousand Three Hundred Thirty Eight Dollars and 00/100 (\$5,690,338.00).

In consideration of the agreed premium charged for this bond, it is understood and agreed that Evergreen National Indemnity Company hereby consents that effective from the 1st Day of April, 2022, said bond shall be amended as follows:

THE BOND PENALTY SHALL BE INCREASED:


FROM: Five Million Six Hundred Ninety Thousand Three Hundred Thirty Eight Dollars and 00/100 (\$5,690,338.00)

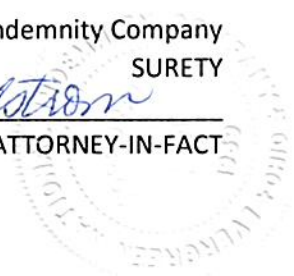
TO: Five Million Seven Hundred Forty Three Thousand Two Hundred Two Dollars and 00/100 (\$5,743,202.00) Post Closure

The INCREASE of said bond penalty shall be effective as of the 1st Day of April, 2022.

Signed, sealed and dated this 30th Day of March, 2022.

Evergreen National Indemnity Company
SURETY

BY : 
Debbie Lindstrom, ATTORNEY-IN-FACT



EVERGREEN NATIONAL INDEMNITY COMPANY
MAYFIELD HEIGHTS, OH
POWER OF ATTORNEY

Bond # 850409

KNOW ALL MEN BY THESE PRESENTS: That the Evergreen National Indemnity Company, a corporation in the State of Ohio does hereby nominate, constitute and appoint:

Debbie Lindstrom

its true and lawful Attorney(s)-In-Fact to make, execute, attest, seal and deliver for and on its behalf, as Surety, and as its act and deed, where required, any and all bonds, undertakings, recognizances and written obligations in the nature thereof, PROVIDED, however, that the obligation of the Company under this Power of Attorney shall not exceed FIFTEEN MILLION AND 00/100 DOLLARS (\$15,000,000.00)

This Power of Attorney is granted and is signed by facsimile pursuant to the following Resolution adopted by its Board of Directors on the 23rd day of July, 2004:

"RESOLVED, That any two officers of the Company have the authority to make, execute and deliver a Power of Attorney constituting as Attorney(s)-in-fact such persons, firms, or corporations as may be selected from time to time.
FURTHER RESOLVED, that the signatures of such officers and the Seal of the Company may be affixed to any such Power of Attorney or any certificate relating thereto by facsimile; and any such Power of Attorney or certificate bearing such facsimile signatures or facsimile seal shall be valid and binding upon the Company; and any such powers so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached."

IN WITNESS WHEREOF, the Evergreen National Indemnity Company has caused its corporate seal to be affixed hereunto, and these presents to be signed by its duly authorized officers this 1st day of December, 2014.

EVERGREEN NATIONAL INDEMNITY COMPANY



By: *Matthew T. Tucker*
Matthew T. Tucker, President
By: *David A. Canzone*
David A. Canzone, CFO

Notary Public)
State of Ohio) SS:

On this 1st day of December, 2014, before the subscriber, a Notary for the State of Ohio, duly commissioned and qualified, personally came Matthew T. Tucker and David A. Canzone of the Evergreen National Indemnity Company, to me personally known to be the individuals and officers described herein, and who executed the preceding instrument and acknowledged the execution of the same and being by me duly sworn, deposed and said that they are the officers of said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and signatures as officers were duly affixed and subscribed to the said instrument by the authority and direction of said Corporation, and that the resolution of said Company, referred to in the preceding instrument, is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal at Cleveland, Ohio, the day and year above written.



PENNY M HAMM
NOTARY PUBLIC
STATE OF OHIO
Comm. Expires
04-04-2022

Penny M. Hamm
Penny M. Hamm, Notary Public
My Commission Expires April 4, 2022

State of Ohio) SS:

I, the undersigned, Secretary of the Evergreen National Indemnity Company, a stock corporation of the State of Ohio, DO HEREBY CERTIFY that the foregoing Power of Attorney remains in full force and has not been revoked; and furthermore that the Resolution of the Board of Directors, set forth herein above, is now in force.

Signed and sealed in Mayfield Hts, Ohio this 30th day of March, 2022



Wan C. Collier
Wan C. Collier, Secretary

Attachment D

Notarized Annual Recertification of Financial Assurance
Coffin Butte Landfill



28972 Coffin Butte Rd Corvallis, OR 97330
o 541.745.5792 f 541.230.5534 republicservices.com

March 28, 2022

Oregon Department of Environmental Quality
Attention: Brian Fuller
Manager, Western Region Materials Management
165 East 7th Avenue, Suite 100
Eugene, OR 97401

RE: Annual Recertification of Financial Assurance, Coffin Butte Landfill, Benton
County, Oregon, Solid Waste Permit No. 306

Dear Mr. Fuller:

I am the General Manager of Valley Landfills, Inc. located at 28972 Coffin Butte Road in Corvallis, OR 97330 (hereinafter "Permittee"). By this letter I certify that Permittee continues to assure payment of all costs associated with closure and post-closure care (together hereinafter "Costs") of the solid waste facility specified in DEQ SW Permit Number 306, as required by OAR 340-094-0140 and 0145 (or for non-MSW landfills or other SW Disposal Sites, OAR 340-095-0090 and 0095.) As General Manager, I possess the requisite authority to commit Permittee to this certification and acknowledge that this certification is an ongoing, continuing, and binding obligation of Permittee.

Permittee certifies that all Costs have been derived using the best procedures available, that all factors affecting Costs have been reviewed within the past twelve months and that all required changes or modifications to Costs have been made. If any future costs have been discounted to present value, the discount rate applied is less than or equal to the DEQ Reference Rate for the current year (or for non-MSW landfills, a discount rate equal to the current yield on a 5-year U.S. Treasury Note as required by OAR 340-095-0090), and all other discounting requirements contained in OAR 340 have been met.

Permittee has chosen to assure payment of Costs through use of a performance bond issued by Evergreen National Indemnity. Permittee certifies that the performance bond is adequate in amount to cover Costs, including any required changes or additions thereto, is in the exact format specified and in all other respects continues to meet the requirements of OAR 340. Permittee certifies further that Evergreen National Indemnity continues to meet all federal and State of Oregon requirements for issuance of and performance on performance bonds.



28972 Coffin Butte Rd Corvallis, OR 97330
o 541.745.5792 f 541.230.5534 republicservices.com

Permittee certifies that it continues to meet all federal and State of Oregon requirements of whatever nature to assure the payment of Costs.

I swear (or attest) that the foregoing statement is true, accurate and complete.

Date: 3/28/22

Shawn Edmonds
General Manager
Valley Landfills, Inc.

Before me this 28th day of March 2022 personally appeared Shawn Edmonds who, first being duly sworn, did say that he is the General Manager of Valley Landfills, Inc. and executed the foregoing document on behalf of Valley Landfills, Inc. by authorization of its governing board.

Before me: Charlotte L. Fidler

Notary Public for Oregon
My Commission expires: May 20, 2022

STATE OF OREGON

County of Linn

