

1 Pollution Control Agency

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3 Adopted Permanent Rules Relating to Financial Assurance for
4 Solid Waste Disposal Facilities

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6 Rules as Adopted

7 7035.2685 COST ESTIMATES FOR CLOSURE, POSTCLOSURE CARE, AND
8 CORRECTIVE ACTION.

9 Subpart 1. Cost estimate requirements. The following
10 provisions apply to cost estimates.

11 A. The owner or operator shall make a written
12 estimate, in current dollars, of the cost of closing the
13 facility in accordance with part 7035.2625 and applicable
14 closure requirements in part 7035.2635. The estimate must be
15 calculated according to subitems (1) and (2).

16 (1) The closure cost estimate must equal the cost
17 of closure at the point in the facility's operating life when
18 the extent and manner of its operation would make closure the
19 most expensive, as indicated by its closure plan.

20 (2) An owner or operator who establishes a trust
21 under part 7035.2705 or 7035.2715 or a dedicated long-term care
22 trust fund under part 7035.2720 may make the closure cost
23 estimate in present value terms, provided that interest earned
24 from investment becomes part of the fund.

25 The method used to calculate a present value for closure
26 cost estimates must have the following form:

$$27 \quad P = \frac{F}{(1 + i)^n}$$

32 in which: P = the present value,
33 F = the estimated cost of facility
34 closure as calculated under
35 subitem (1),
36 i = the interest rate, and
37 n = the time period in which the
38 design capacity of the facility
39 is filled, expressed as the
40 number of years after the
41 date on which the cost
42 estimate is made.
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1 The interest rate used must be the Federal Reserve Bank discount
2 rate in effect at the Federal Reserve Bank in Minneapolis,
3 Minnesota.

4 B. The owner or operator of a facility subject to
5 postclosure monitoring or maintenance requirements shall make a
6 written estimate, in current dollars, of the annual cost of
7 monitoring and maintenance of the facility in accordance with
8 the applicable postclosure requirements in part 7035.2645. The
9 estimate must be calculated according to subitems (1) and (2).

10 (1) The owner or operator must calculate the
11 postclosure cost estimate by multiplying the annual postclosure
12 cost estimate by the number of years of postclosure care
13 required under part 7035.2655. The postclosure cost estimate
14 must include a contingency element that accounts for inflation
15 expected to occur after site closure.

16 (2) An owner or operator who establishes a trust
17 under part 7035.2705 or 7035.2715 or a dedicated long-term care
18 trust fund under part 7035.2720 may make the postclosure cost
19 estimate in present value terms, provided that interest earned
20 from investment becomes part of the fund.

21 A present value must be reported for each year of the
22 postclosure care period. The time periods used must begin the
23 year after facility closure. The method used to calculate a
24 present value must have the following form:

25
$$P = \frac{F}{(1 + i)^n}$$

31 in which: P = the present value,
32 F = the estimated cost of postclosure
33 care and maintenance during the year
34 in which cost will be incurred as
35 calculated under subitem (1),
36 i = the interest rate, and
37 n = the time period in which the cost
38 will be incurred, expressed as the
39 number of years after the date
40 on which the cost estimate is made.

42 The interest rate used must be the Federal Reserve Bank discount
43 rate in effect at the Federal Reserve Bank in Minneapolis,
44 Minnesota.

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1 [For text of item C, see M.R.]

2 [For text of subps 2 and 3, see M.R.]