

**VIRGINIA DEPARTMENT OF ENVIRONMENTAL QUALITY
DIVISION OF WASTE COORDINATION
OFFICE OF FINANCIAL ASSURANCE**

**FINANCIAL ASSURANCE DEMONSTRATION REVIEW PROCEDURES for SOLID
WASTE DISPOSAL, TRANSFER AND TREATMENT FACILITIES**

The procedures set forth in this document are intended solely for the guidance of employees of the Department of Environmental Quality (Department). They are not intended to, nor do they constitute rulemaking by the Department. They may not be relied upon to create a right or benefit, substantive or procedural, enforceable at law or in equity, by any person. Whether and how the Department applies these procedures in any given case will depend on the facts of the case.

1. Introduction

The solid waste financial assurance program was created to ensure that an owner/operator of a solid waste treatment, disposal or transfer facility bears the cost of facility closure, post-closure care and corrective action. In many cases, this requires the owner/operator to provide the facility closure, post-closure and/or corrective action funds directly to the Department in certain forms. These funds are available for use by the Department in the event of a facility abandonment to protect the public from the health and safety consequences of such abandonment.

The procedures contained in this guidance document apply in the following scenarios:

- When an owner/operator applies for a permit or permit-by-rule or when an owner/operator applies for an amendment to an existing permit or permit-by-rule;
- When an owner/operator becomes obligated to demonstrate financial assurance to the Department through a consent order or unilateral order;
- When an owner/operator of a facility submits financial assurance documentation as part of the annual update obligation;
- When a financial assurance mechanism expires, or is cancelled or terminated; or when the financial assurance provider becomes ineligible to provide financial assurance;
- When the Department releases an owner/operator from the obligation to demonstrate financial assurance for a closed facility; and
- When an owner/operator becomes obligated to demonstrate financial assurance to the Department for corrective action measures.

2. Authority

Section 10.1-1402 of the Virginia Waste Management Act, Chapter 14 (§ 10.1-1400 *et seq.*) of Title 10.1 of the Code of Virginia, authorizes the Virginia Waste Management Board to promulgate regulations necessary to carry out its powers and duties and the intent of the Act. Section 10-1410 authorizes the Board to promulgate regulations requiring an owner/operator of a solid waste disposal, transfer or treatment facility to bear the costs of protecting the public health and safety from the consequences of facility abandonment. The Financial Assurance Regulations for Solid Waste Disposal, Transfer and Treatment Facilities, 9 VAC 20-70-10 *et seq.*, specifically require an owner/operator to demonstrate financial assurance for the closure, post-closure care and corrective action costs associated with a solid waste treatment, disposal or transfer facility.

3. Definitions

The definitions in the Virginia Waste Management Act and the Virginia Financial Assurance Regulations for Solid Waste Disposal, Transfer, and Treatment Facilities, 9 VAC 20-70-10 *et seq.* (Regulation) apply to these Procedures.

4. Exemptions

The Regulation exempts owners or operators of certain facilities. The following owners or operators are not required to demonstrate financial assurance under 9 VAC 20-70-10 *et seq.*:

- State and federal government owned facilities
- Owners/operators of facilities conditionally exempt under 9 VAC 20-80-60 D (Virginia Solid Waste Management Regulations)
- Owners/operators of facilities conditionally exempt under 9 VAC 20-80-150 or 9 VAC 20-80-160 (Virginia Solid Waste Management Regulations)
- Owners/operators of facilities conditionally exempt under 9 VAC 20-120-120 or 9 VAC 20-120-130 (Virginia Regulated Medical Waste Regulations)
- Owners/operators of yard waste composting facilities exempt under 9 VAC 20-101-60 and 9 VAC 20-101-70 (Vegetative Waste Management and Yard Waste Composting Regulations) and
- Owners/operators of hazardous waste management units regulated under 9 VAC 20-60-12 *et seq.* (Virginia Hazardous Waste Management Regulations)
- Facilities owned and operated by local governments entities or regional authorities if they completed closure and the Department certified the closure by October 9, 1994 provided they:

1. (a) Disposed of less than 100 tons per day of solid waste prior to October 9, 1993, (b) disposed of less than 100 tons per day of solid waste each month between October 9, 1993 and April 9, 1994; (c) ceased to accept solid waste prior to April 9, 1994; and (iv) have no units on the National Priority List; or
2. (a) Disposed of more than 100 tons per day of solid waste prior to October 9, 1993; and (b) ceased to accept solid waste prior to that date.

When separate nonexempt persons own and operate a facility subject to the requirements of the Regulation, the owner and operator are jointly and severally liable. If either the owner/operator is exempt, then the other person is liable for meeting the requirements of the Regulation.

5. Facility Cost Estimates (9 VAC 20-70-111,-112,-113)

Owners/operators of a solid waste disposal, transfer or treatment facility must demonstrate financial assurance for closure, post-closure care and corrective action, whichever is applicable, in the amount of the current cost estimate.

5.1 Requirements

Closure Cost Estimate. The closure cost estimate must account for the costs of final closure at the point in the facility's life when closure would be most expensive (closure for the maximum area left uncapped at any given time during the facility's life as set forth in the facility closure plan). The closure costs must be based on third party costs and the third party cannot be a parent or subsidiary of the owner/operator. Finally, the estimate may not incorporate the salvage value of the wastes, facility structures, land or other facility assets.

Post-closure cost estimate: The post-closure cost estimate must be based on the total cost of post-closure care over the entire post-closure period and must be based on third party costs. Sanitary landfill post-closure estimates must reflect a 30-year post closure period (unless the Department has granted a variance) and industrial and debris landfill post-closure cost estimates must reflect a 10-year post-closure period.

Corrective Action cost estimate. The corrective action cost estimate must account for the total cost of corrective action as described in the corrective action plan for the entire corrective action period and must be based on third-party costs.

5.2 Formulation of the Cost Estimate

Owners/operators must develop and submit a detailed written cost estimate for each solid waste disposal, transfer, or treatment facility. If the facility is a landfill, the Department has available a computer spreadsheet program for generating and reviewing the estimate.

A facility may choose to use the spreadsheet or may submit a cost estimate in any technically defensible format that provides sufficient detail for review.

5.3 Review of the Cost Estimate

In most cases, the Department's Office of Waste Permitting (OWP) is responsible for reviewing all facility cost estimates to ensure that the estimate adequately covers the cost of closure, post-closure care and/or corrective action at the facility.

New permits, permit modifications and closure plans: Generally, OWP obtains the cost estimate from the facility owner/operator along with the facility permit application or permit amendment application. Upon receipt of the cost estimate, OWP sends a memo to the Office of Financial Assurance (OFA) identifying the name of the owner/operator, facility address, facility contact person, facility type and permit or permit-by-rule number. If the facility owner/operator sends the cost estimate directly to OFA, OFA staff will copy the estimate and send it to OWP along with a request for a review. OWP staff communicates directly with the facility owner/operator to resolve any problems or deficiencies with the estimate. Upon completion of the review, OWP staff contacts OFA with the approved estimate via memo and provides a copy of the detailed estimate for the FA file.

Existing cost estimates: Currently, there is a backlog of facility cost estimates requiring review. For these estimates, OFA will provide a list of the cost estimates requiring review to OWP along with a copy of the estimate, if available. OWP is responsible for contacting the facility and obtaining the necessary documentation for review. OWP staff copies OFA on the first correspondence to the facility to make OFA aware that a review has begun and provides OFA with an approval memo at the conclusion of the review along with a copy of the estimate.

If the cost estimate requiring review is one that has been approved by OWP and subsequently revised by the owner/operator, then OFA staff forwards the revised estimate to the appropriate RO for review. If the RO Compliance/Enforcement Manager (CEM) determines that resources are such that the RO cannot complete the cost estimate review, the RO Compliance Manager will refer, via memo, the cost estimate review to OWP with a copy provided to OFA. Regardless of whether the RO or OWP reviews the estimate, the procedures described above are applicable to the review.

If the cost estimate requiring review is for a local government which does not yet have an approved estimate, OFA staff forwards the cost estimate to the OWP Manager for review and copies the appropriate RO. The RO Compliance Manager assigns an inspector who will conduct a facility inspection to assess the status of the facility. The inspector forwards the inspection report to the OWP Manager with a copy to the OFA Director. OWP staff then reviews the estimate, corresponds directly with the facility owner/operator and provides a copy of the approved estimate to OFA and RO staff as described above in the review procedures for new estimates.

Default cost estimates: If it appears that the estimate provided by the facility owner/operator is insufficient to cover the costs of the required activity, OWP or RO staff may apply a default estimate to the facility equal to the following:

- \$200,000 per acre of fill for a sanitary landfill; or
- \$150,000 per acre of fill for a construction/demolition/debris landfill or an industrial landfill;

and require the facility owner/operator to provide financial assurance in the default amount.

The default amount remains in effect until the facility owner/operator has demonstrated to OWP's satisfaction that the estimate he has provided is adequate to cover the required activities. In the event the default estimate applies, OWP staff contacts OFA with the default estimate amount. OFA sends a letter to the facility owner/operator requesting financial assurance in the amount of the default estimate. OWP staff notifies OFA if and when he approves an estimate to replace the default.

6. Interim Corrective Action Requirements (9 VAC 20-70-113)

When a landfill or other unit subject to groundwater monitoring statistically exceeds groundwater protection standards required by 9 VAC 20-80-250 D 6 or Appendix 5.6 of 9 VAC 20-80-10 *et seq.*, the owner/operator must provide additional financial assurance in the amount of \$1 million. The deadline for providing the additional financial assurance is 120 days after the exceedance. The facility owner/operator must maintain the \$1 million until he selects a corrective action remedy and provides financial assurance to cover the remedy.

OWP groundwater staff are responsible for notifying OFA when a facility statistically exceeds groundwater protection standards. Upon receipt of the notification, OFA sends a letter to the facility owner/operator reminding him of the requirement to post additional financial assurance for corrective action. OWP groundwater staff notifies OFA once the facility has selected a remedy and provides a copy of the corrective action cost estimate. OFA then notifies the facility owner/operator by letter that his demonstration obligation has changed. The obligation to demonstrate financial assurance in the amount of the corrective action remedy **replaces** the obligation to demonstrate \$1 million. Depending upon the cost of the remedy, the facility owner/operator may amend his existing financial mechanism to account for the cost of the remedy or submit a different mechanism. If the remedy amount is less than \$1 million and the facility owner/operator chooses to demonstrate with a new mechanism rather than amending the existing one, OFA should release the existing \$1 million mechanism only when the facility owner has replaced it with the new, compliant mechanism.

7. Financial Assurance Mechanism Review

Facility owners/operators may choose one or a combination of mechanisms to demonstrate financial assurance. The regulation allows the owner/operator to choose from nine separate mechanisms. Each mechanism requires specific documentation. When combining mechanisms, the owner/operator may not combine a cash mechanism with a performance mechanism. Currently, insurance policies and performance bonds are the only performance mechanisms offered in the regulation. These two mechanisms may not be combined with any other to demonstrate for the same facility.

7.1 Trust Fund (9 VAC 20-70-150)

A trust fund is a mechanism through which an owner/operator deposits money into a fund that is held and administered by a third party on behalf of the Department. For landfills, the owner/operator pays into the trust fund during the operating life of the facility so that the fund is fully funded at the point of closure. Operating life can mean the entire active life of the landfill or the period of years of operation before the facility reaches the most expensive point for closure, depending on the closure plan. For all other types of solid waste treatment and transfer facilities, the owner/operator must deposit the entire closure amount into the trust before the facility begins accepting waste.

When reviewing a trust fund for compliance with the regulation, OFA staff verifies that the following requirements have been met:

Trustee: The trustee must be a bank or financial institution that has the authority to act as a trustee and whose operations are regulated and examined by the Commonwealth of Virginia.

Payment Amount: The owner/operator must make the appropriate deposit before any waste is received at the facility or new cell.

New Facilities: If the solid waste facility is a landfill, then the owner/operator's first payment into the trust must be made according to the following calculation:

$$\frac{\text{Current cost estimate}}{\text{\# of years in facility's operating life}}$$

If the facility is anything other than a landfill, the first deposit must be equal to the total current cost estimate.

Existing Facilities: If the owner/operator of a *landfill* is switching from another mechanism to the trust fund, then the first payment is equal to the estimated value of the trust fund if the owner/operator had been using a trust fund to demonstrate all along. For example, assume the current cost estimate is \$1,000,000 and the owner/operator has been demonstrating financial assurance for this landfill for 5 years using a surety bond. If the total estimated operating life of the facility is 20 years, then his first payment is equal to the following:

$$\text{\$1,000,000/20 X 5 = \$250,000.}$$

If the owner/operator of any other type of solid waste facility is changing from another mechanism to a trust fund, the first deposit must be equal to the total current cost estimate.

Corrective Action: Trust payments for corrective action are calculated in different manner than closure/post-closure payments. The first payment must be equal to the following:

$$\frac{1/2(\text{current corrective action estimate})}{(\text{years in second half of corrective action period}).}$$

Payment Date: For new facilities the deposit should be made at least 60 days before initial receipt of waste. For existing facilities, the deposit should be made before the existing mechanism is released. **Exception:** When a facility owner is demonstrating for corrective action with a trust fund, he must make the first payment within 120 days of remedy selection.

Required Documentation: The owner/operator must provide the following documents to OFA:

Trust Agreement: A signed, notarized, original trust agreement with language *identical* to that described in section 20-70-290.A. The trust agreement must have a Schedule A, Schedule B and Exhibit A attached.

- *Schedule A:* This document should provide the facility name, physical address and permit number along with the current applicable cost estimate.
- *Schedule B:* This document should provide the amount of the initial deposit.
- *Exhibit A:* This document should list the individuals authorized to sign trust-related documents on behalf of the owner/operator.

Trustee verification: A letter from the trustee confirming the initial deposit into the trust.

7.2 Standby Trust Fund (9 VAC 20-70-150)

A standby trust fund is an empty trust fund that an owner/operator establishes with a bank or trust company to receive funds from a letter of credit, performance bond, certificate of deposit or guarantee. If the Department determines that it is necessary to access the funds guaranteed by any one of these mechanisms, it will “cash” the mechanism and place the funds into the standby trust fund. This ensures immediate access to funds when they are required (i.e., in the event of an abandoned facility) so that the Department can fund closure, post-closure or corrective action at the facility as

needed.

When reviewing a standby trust fund for compliance with the regulation, OFA staff verify that the following requirements have been met:

Trustee: The trustee must be a bank or financial institution that has the authority to act as a trustee and whose operations are regulated and examined by the Commonwealth of Virginia.

Payment Amount: The owner/operator is not required to make an initial deposit into a standby trust agreement.

Required Documentation: The owner/operator must provide the following documents to OFA:

Trust Agreement: A signed, notarized, original standby trust agreement with language *identical* to that described in section 20-70-290.A. The trust agreement must have a Schedule A, Schedule B and Exhibit A attached.

- *Schedule A:* This document should provide the facility name, physical address and permit number along with the current applicable cost estimate.
- *Schedule B:* This document should state that the initial deposit is zero dollars and that the trust agreement is established as a standby to receive funds from either a performance bond, letter of credit, guarantee or certificate of deposit.
- *Exhibit A:* This document should list the individuals authorized to sign trust-related documents on behalf of the owner/operator.

7.3 Surety Bond Guaranteeing Payment or Performance (9 VAC 20-70-160)

A performance bond is a guarantee, issued by a surety company, that it will meet the obligations of an owner/operator in the event an owner/operator defaults on the conditions of the bond. The surety may either pay the entire sum of the bond over to the Department or it may perform the required activities (e.g., closure, post-closure, corrective action) in place of the owner/operator.

When reviewing a performance bond for compliance with the Regulation, OFA staff verify that the following requirements have been met:

Licensing: Staff contact the Bureau of Insurance at the State Corporation Commission to verify that the surety is licensed pursuant to Chapter 10 of Title 38.2 of the Code of Virginia. OFA staff also maintain a current list of these licensed sureties.

Circular 570 Listing: Staff confirm that the surety is listed as an acceptable surety of federal bonds in Circular 570. This information can be found at

www.fins.treas.gov/c570/index.html

Power of Attorney: This document confirms the authority of the individual signing the bond to sign on behalf of the surety company. Staff verify that the power of attorney of the attorney-in-fact is recorded pursuant to § 38.2-2416 of the Code of Virginia. Staff may obtain this information by contacting the Richmond City Circuit Court.

Bond Amount: If an owner/operator is using a performance bond alone to demonstrate financial assurance then the bond amount must be equal to the total current cost estimate. If the owner/operator is using a combination of performance bonds to demonstrate, then the combined amount of the bonds must equal the total current cost estimate.

Required Documentation: The owner/operator must provide the following documents to OFA:

Performance Bond: The bond must be a signed, original document with a signed, notarized Power of Attorney attached. The bond language must be *identical* to that described in section 20-70-290.B and the bond must name the facility owner/operator as the principal and the Department as the obligee. Finally, the bond must identify the facility by name, physical address and permit number, if applicable.

Standby Trust Agreement: The bond must be accompanied by a signed, original standby trust agreement. See section 7.2 for requirements applicable to the standby trust.

7.4 Letter of Credit (9 VAC 20-70-170)

A letter of credit is a mechanism that is essentially a “check” written to the Department in the amount of the facility cost estimate. In the event the owner/operator abandons the facility or is otherwise unable to conduct closure, post-closure, and/or corrective action the Department can cash the letter of credit, place the funds into a standby trust and use the money to ensure that the required activities are completed.

When reviewing a letter of credit for compliance with the Regulation, OFA staff should verify the following requirements have been met:

Bank: Staff contact the Bureau of Financial Institutions at the State Corporation Commission to ensure that the issuing institution is a bank or other financial institution that has the authority to issue letters of credit and whose letter of credit operations are regulated and examined by the Commonwealth, a federal agency or an agency in another state.

Authority to Sign: Staff contact the bank to ensure that the person signing the letter of credit is authorized to sign the document.

Letter of Credit Amount: If the owner/operator is using the letter of credit alone to demonstrate financial assurance then the letter of credit amount must be equal to the total

current cost estimate. If the owner/operator is using a combination of cash mechanisms to demonstrate, then the combined amount must equal the current cost estimate.

Required Documentation: The owner/operator must provide the following documents to OFA:

Letter of Credit: The letter of credit must be a signed, original document. The language of the letter of credit must be *identical* to that described in section 20-70-290.C and must name the Department as beneficiary. The letter of credit must be issued for one year and renew each year on the anniversary date. The letter of credit must identify the facility by name, physical address, and permit number, if applicable.

Standby Trust Agreement: The letter of credit must be accompanied by a signed, original standby trust agreement. See section 7.2 for requirements applicable to the standby trust.

7.5 Certificate of Deposit (9 VAC 20-70-180)

A certificate of deposit (CD) is a mechanism which is submitted in the Department's name and/or assigned to the Department. An owner/operator may demonstrate financial assurance for any facility except sanitary landfills using a CD. The owner/operator must assign all rights, title, and interest of a certificate of deposit to the Department. In the event the owner/operator abandons the facility or is otherwise unable to conduct closure, post-closure, and/or corrective action the Department can cash the CD, place the funds into a standby trust and use the money to ensure that the required activities are completed.

When reviewing the CD for compliance with the Regulation, OFA staff should verify that the following requirements have been met:

CD Amount: If an owner/operator is using a CD alone to demonstrate financial assurance then the value of the CD must be equal to the total current cost estimate. If the owner/operator is using the CD in combination with other cash mechanisms, then the combined amount must equal the total current cost estimate.

Required Documentation: The owner/operator must provide the following documents to OFA:

Assignment: The assignment must be a signed, original document naming the Department as beneficiary of the funds. The assignment language must be *identical* to that described in 20-70-290.D. The assignment must be automatically renewable, the same as the certificate of deposit. The CD must identify the facility by name, physical address, and permit number, if applicable.

CD: The original CD (if issued) must be submitted to the Department.

Standby Trust Agreement: The CD must be accompanied by a signed, original standby trust agreement. See section 7.2 for requirements applicable to the standby trust.

7.6 Insurance (9 VAC 20-70-190)

An insurance policy is a mechanism issued by an insurance company. It guarantees that funds will be available to close the facility whenever final closure occurs, provides post-closure care for the facility whenever the post-closure care period begins, or performs corrective action whenever the corrective action period begins.

When reviewing the insurance policy for compliance with the Regulation, FA staff should verify that the following requirements have been met:

Licensing: Staff contact the Bureau of Insurance at the State Corporation Commission to verify that the insuring company is licensed pursuant to Chapter 10 of Title 38.2 of the Code of Virginia. OFA staff also maintain a current list of licensed insurers.

Policy Amount: The policy must be issued for a face amount at least equal to the current cost estimate. If the owner/operator is using a combination of performance mechanisms to demonstrate, then the combined amount of the mechanisms must equal the total current cost estimate.

Required Documentation: The owner/operator must provide the following documents to OFA:

Insurance Policy: The owner/operator must provide the entire policy including the declarations page and all endorsements. The declaration page must specify the named insured (the Department must be listed as an additional insured), the policy amount, and all covered facilities. It should also list the physical locations of the covered facilities. Finally, the declarations page should indicate the face amount of the policy.

Certificate of Insurance: The certificate of insurance must be a signed, original document. The certificate language must be *identical* to that described in 20-70-290.E. For each facility covered, it must list the facility name, physical address, permit number (if available), and the amount of insurance provided for each facility.

Policy Review: OFA reviews the policy to determine whether the facility has appropriate coverage under the policy. OFA first reviews the declarations page to ensure that the facility is adequately identified and the policy limits are at least equal to the current cost estimate. OFA then reviews the policy language and each endorsement to ensure that the policy offers the necessary coverage. OFA also ensures that the policy provides the appropriate notice to the Department in the event of cancellation.

7.7 Corporate Financial Test (9 VAC 20-70-200)

The corporate financial test is a mechanism through which an owner/operator “self-insures” the cost to close the facility, conduct post-closure and/or conduct corrective action. The test is based on the corporation’s financial strength.

When reviewing the financial test, OFA staff should verify that the following requirements have been met:

Amount of FA: The demonstration amount must be equal to the total current cost estimate. For example, if the owner/operator is using the financial test to cover post-closure costs, the amount on the financial test must reflect the cost for the entire post-closure period, rather than the annual cost. If the owner/operator is using a combination of cash mechanisms, the combined amount must equal the total current cost estimate.

Required Documentation: The owner/operator must provide the following documents to OFA:

Financial Test: The owner/operator must submit an original, signed financial test to OFA. The firm’s Chief Financial Officer (CFO) must sign the document. The language must be *identical* to the language in section 20-70-290 F. The test must be based on the owner/operator’s most recently closed fiscal year. The covered facilities should be listed along with physical address, permit number (if available), and the closure, post-closure and/or corrective action costs. All calculations should be checked for accuracy.

Audited Financial Statements and CPA’s report: The audited financial information is contained in the corporation’s annual report along with the CPA’s report. The CPA’s report should contain an unqualified opinion.

Independent Accountant’s Report: This report must state the accounting procedures the accountant used when comparing the data in the financial statements to the data reported on the financial test. It must also state the accountant’s findings.

Bond Rating: If using the bond rating test, the owner/operator must submit evidence from the rating service verifying the current bond rating.

Certification of Funding: The owner/operator must submit an original, signed certification of funding signed by the corporation’s CFO. The certification must state the method of funding for closure, post-closure or corrective action and indicate if any funds have been set aside for those activities. The language of this document must be *identical* to section 20-70-290 H.

7.8 Local Government Financial Test (9 VAC 20-70-210)

The local government financial test is a mechanism through which a local government (LOGO) “self-insures” the cost to close the facility, conduct post-closure and/or conduct corrective action. The test is based on the locality’s financial strength.

When reviewing the financial test, OFA staff should verify that the following requirements have been met:

Amount of FA: The demonstration amount must be equal to the total current cost estimate. For example, if the owner/operator is using the financial test to cover post-closure costs, the amount on the financial test must reflect the cost for the entire post-closure period, rather than the annual cost. If the owner/operator is using a combination of cash mechanisms, the combined amount must equal the total current cost estimate.

Required Documentation: The LOGO must provide the following documents to OFA:

Financial Test: The LOGO must submit an original, signed financial test to OFA. The document must be signed by the local government's CFO. The language must be *identical* to the language in section 20-70-290 G. The test must be based on the locality's most recently closed fiscal year. The covered facilities should be listed along with physical address, permit number (if available), and the closure, post-closure and/or corrective action costs. All calculations should be checked for accuracy.

Comprehensive Annual Financial Report (CAFR) and CPA's report: The audited financial information is contained in the LOGO's CAFR along with the CPA's report. The CPA's report should contain an unqualified opinion. The CAFR should also contain a Note to the financial statements describing the landfill's closure, post-closure and corrective action costs.

Independent Accountant's Report: This report must state the accounting procedures the accountant used when comparing the data in the financial statements to the data reported on the financial test. It must also state the accountant's findings.

Bond Rating: If using the bond rating test, the LOGO must submit evidence from the rating service verifying the current bond rating.

Certification of Funding: The LOGO must submit an original, signed certification of funding signed by the locality's CFO. The certification must state the method of funding for closure, post-closure or corrective action and indicate if any funds have been set aside for those activities. The language of this document must be *identical* to section 20-70-290 H.

Escrow Account Documentation: If the LOGO is required to fund an escrow account, sinking fund or letter of credit it must submit an original signed letter from the CFO. The language of the letter must be *identical* to section 20-70-290 I.

A review checklist may be found in Appendix 1.

7.9 Corporate Guarantee (9 VAC 20-70-220)

A corporate guarantee is provided on behalf of the owner/operator who cannot meet the financial test requirements based on their own financial net worth. The written guarantee

must provide that if the owner/operator fails to perform closure, post-closure or corrective action, the guarantor will perform or pay a third party to perform the closure, post-closure or corrective action or establish a fully funded trust fund in the name of the owner/operator.

When reviewing the corporate guarantee, OFA staff should verify that the following requirements have been met:

Amount of FA: The demonstration amount must be equal to the total current cost estimate. For example, if the owner/operator is using the financial test to cover post-closure costs, the amount on the financial test must reflect the cost for the entire post-closure period, rather than the annual cost. If the owner/operator is using a combination of cash mechanisms, the combined amount must equal the total current cost estimate.

Guarantor: The guarantor must be a parent of the owner/operator, a firm whose parent corporation is also the parent corporation of the owner/operator, or a firm with a substantial business relationship with the owner/operator.

Required Documentation: The owner/operator must provide the following documents to OFA:

Financial Test Documentation: The guarantor must submit the same documentation that is required for the financial test (see section 7.6); however the financial test and supplemental information must be based on the *guarantor's* financial performance.

Guarantee Form: The guarantor must submit a signed, original guarantee form. The language of the guarantee form must be *identical* to the language specified in section 20-70-290.J.

7.10 Local Government Guarantee (9 VAC 20-70-220)

The LOGO guarantee is provided on behalf of the local government owner/operator who cannot meet the financial test requirements based on its own financial net worth. The written guarantee must provide that if the owner/operator fails to perform closure, post-closure or corrective action, the guarantor will perform or establish a fully funded trust fund in the name of the owner/operator.

When reviewing the LOGO guarantee, OFA staff should verify that the following requirements have been met:

Amount of FA: The demonstration amount must be equal to the total current cost estimate. For example, if the owner/operator is using the financial test to cover post-closure costs, the amount on the financial test must reflect the cost for the entire post-closure period, rather than the annual cost. If the owner/operator is using a combination of cash mechanisms, the combined amount must equal the total current cost estimate.

Guarantor: The guarantor must be a local government.

Required Documentation: The guarantor must provide the following documents to OFA:

Financial Test Documentation: The guarantor must submit the same documentation that is required for the financial test (see section 7.8); however the financial test and supplemental information must be based on the *guarantor's* financial performance.

Guarantee Form: The guarantor must submit a signed, original guarantee form. The language of the guarantee form must be *identical* to the language specified in section 20-70-290.K.

8. Submission and Recordkeeping Requirements

8.1 Submission Requirements

The owner/operator of a new solid waste transfer, disposal and treatment facility should submit the selected financial responsibility mechanism to the Department as part of the permit application process. If the owner/operator sends the financial mechanism to OWP with the permit application, OWP forwards the mechanism to OFA with a cover memo requesting a review and response. In many cases, the applicant contacts OFA staff directly for guidance concerning the appropriate demonstration procedures. In these cases, the owner/operator generally submits the mechanism directly to OFA.

In the case of permit amendments or permit-by-rule amendments, the owner/operator must increase the facility's financial assurance if the cost of closure, post-closure, or corrective action is increased as a result of the amendment or provide an additional mechanism in the amount of the increase. The facility owner/operator must increase the financial assurance before the Department will issue a certificate to operate a newly constructed facility or unit.

Regardless of the financial assurance mechanism chosen, the owner/operator must submit the original signed mechanism.

8.2 Record Keeping Requirements

Financial assurance mechanism: a facility owner/operator must keep a copy of the financial assurance mechanism in the facility's operating record.

Closure cost estimate: a facility owner/operator must keep a copy of the closure cost estimate in the operating record during the active life of the facility.

Post-closure cost estimate: A facility owner/operator must keep a copy of the post-closure cost estimate in the facility operating recording during the active life of the facility and throughout the entire post-closure period.

Corrective action cost estimate: A facility owner/operator must keep a copy of the corrective action cost estimate in the facility operating record throughout the corrective action period.

9. General OFA Review Procedures

Although review procedures for the financial mechanisms are the same regardless of the scenario, the communication chain may be different depending on why the review is performed.

Reviews pursuant to a permit or permit amendment application: The Regulation gives the Department 60 days to review a financial assurance submission and determine compliance; however, OFA staff generally attempt to shorten the review time if a permit or permit amendment is pending. Upon receipt of a financial assurance mechanism through the permit or permit amendment application process, OFA staff review the mechanism and contact the applicant by letter or telephone with any problems or concerns. Upon resolution of all issues, OFA staff sends a compliance memo or email to the appropriate OWP staff and a compliance letter to the applicant. OFA staff copies the appropriate RO and OWP staff on the compliance letter. If the new facility is anything other than a landfill, OWP should not issue the permit or permit-by-rule without confirmation from OFA staff that the applicant's financial assurance complies with the Regulation. If the facility is a landfill, although OWP may issue the permit or permit amendment without confirmation of the applicant's compliance with the financial assurance requirements, OWP should not issue the Certificate to Operate the new landfill cell without confirmation of compliance.

Reviews of annual updates: OFA staff review the annual submission and contact the facility owner/operator within 60 days. If the documents have been prepared in accordance with the Regulation, OFA sends a compliance letter to the owner/operator and copies Regional Office (RO) staff. If there is a problem with the submission, OFA contacts the owner/operator in writing detailing the corrections that must be made. A copy of the letter is sent to RO staff. The letter imposes a thirty-day deadline; however, the RO may pursue a compliance or enforcement action against the facility at any time during the thirty-day period, depending on the circumstances of the case. Generally, the RO staff will pursue compliance first through a warning letter.

If a facility owner/operator fails to update his financial assurance mechanism annually, then OFA staff contact the facility in writing and copy the RO. Again, the letter imposes a thirty-day deadline to submit; however, the RO may pursue a compliance or enforcement action against the facility at any time during the thirty-day period, depending on the circumstances of the case. Again, generally, the RO staff will pursue compliance first through a warning letter.

If the facility owner/operator provides a new cost estimate with his annual update package, then OFA staff forward the estimate to OWP along with a request for review.

Reviews pursuant to an Enforcement Action: RO enforcement staff should send a copy of

any executed consent order or unilateral order that requires financial assurance to OFA and OWP. OFA staff send a letter to the owner/operator describing the available options and reiterating the submission deadlines imposed by the Order. If OFA receives the Order after the deadline has passed, OFA contacts the owner/operator in writing reminding him of the obligation to demonstrate and imposing a thirty-day deadline for submission of financial assurance.

OWP staff or RO staff will review the estimate as determined by the procedures set out in the Solid Waste Permit Manual (cite?) and provide a copy of the approved estimate to OFA. Upon receipt of an approved estimate, OFA staff review the mechanism and contact the facility owner/operator within 60 days. If the documents have been prepared in accordance with the Regulation, OFA sends a compliance letter to the owner/operator and copies RO enforcement staff. If there is a problem with the submission, OFA contacts the owner/operator in writing detailing the corrections that must be made. A copy of the letter is sent to RO enforcement staff. The letter imposes a thirty-day deadline; however, the RO may pursue further enforcement action against the facility at any time during the thirty-day period, depending on the circumstances of the case. Once the owner/operator is in compliance, OFA staff sends a compliance memo to the RO Compliance Manager, RO enforcement staff and OWP Manager. OFA staff also will send a compliance letter to the owner/operator, with copies to the RO Compliance Manager, RO Enforcement staff, and the OWP Manager.

Post-closure reductions: [Reserved]

Agency Files: For each facility, OFA staff create a correspondence file, a safe file for the original financial mechanism (except financial tests and guarantees), and a duplicate file for a copy of the original financial mechanism.

Database Maintenance: OFA staff update financial assurance on the Comprehensive Environmental Data System (CEDS) and the OFA spreadsheet within 15 days of a change.

10. Annual Update and Submission Requirements (9 VAC 20-70-111, -112, -113)

A facility owner/operator must update his cost estimate annually to account for the effects of inflation. He accomplishes this by adjusting the total cost estimate to current dollars using the current inflation rate. The Regulation allows an owner/operator to use one of two methods to adjust the cost estimate for inflation.

- An owner/operator may multiply the total current cost estimate by an annual inflation factor derived from the Gross National Product implicit price deflators (IPD) or
- An owner/operator may multiply the total current cost estimate by an annual inflation factor derived from the Gross Domestic Product IPDs.

The inflation factor for the current year may be calculated by dividing the previous year's implicit price deflator by the implicit price deflator for the year before the previous year. For

example, to calculate the 2002 inflation factor, the following formula should be used:

$$\frac{2001 \text{ IPD}}{2000 \text{ IPD}}$$

Sources of Information. Owners and operators may obtain the annual and quarterly IPDs and inflation factors from the following sources:

- RCRA/Superfund Hotline: 800/424/9346
**IPDs and inflation factor available
- Internet web site: <http://www.bea.doc.gov/bea/dn/nipaweb/NIPATableIndex.htm>
Scroll down to Gross National Product-command basis, select 7.3
**IPDs only available
- Survey of Current Business: (published by the Department of Commerce)
Phone: 202/512/-1800, <http://bookstore.gpo.gov/index.html> **IPDs only available
- Office of Financial Assurance, Virginia DEQ: 804/698-4123
** inflation factor available

The facility owner/operator must adjust the facility cost estimate for inflation annually within sixty (60) days prior to the financial assurance anniversary date.

In addition to adjusting the cost estimate, the facility owner/operator must update the amount of the facility financial assurance mechanism(s) annually by the anniversary date of the mechanism(s). The anniversary date and method of adjustment differs for each type of mechanism. The following are the anniversary dates and submission requirements for each mechanism:

Trust Agreement: The anniversary date for a **trust agreement** is the effective date of the trust agreement or the date on which the agreement was executed. The owner/operator must deposit funds into the trust no later than thirty (30) days after the anniversary date and provide verification to the Department of the amount and date of the deposit through a trust account statement. Annual payments into the trust fund are determined by the following formula:

$$\frac{\text{Current cost estimate}-\text{Current value of fund}}{\text{Remaining years in landfill's operating life}}$$

Performance Bond: The anniversary date for a **surety bond** is the effective date of the bond. The owner /operator must submit an originally signed rider to the existing bond in the amount of the increase or submit a new, original bond in the amount of the total adjusted cost estimate.

Letter of Credit: The anniversary date for a **letter of credit** is the effective date of the letter of credit. The owner/operator must submit an original amendment to the existing letter of credit in

the amount of the increase or submit a new original letter of credit in the amount of the total adjusted cost estimate.

Certificate of Deposit: The anniversary date of a **CD** is the issue date of the CD. Because a CD, if not cashed, automatically accrues interest at the end of each quarter, the owner/operator may not need to adjust the total amount of the CD for inflation annually. Instead, OFA staff calculate the adjusted cost estimate and compare that amount to the value of the CD. If the value of the CD exceeds the current cost estimate, no payment is necessary. If the value of the CD is less than the current cost estimate, the owner/operator must increase the value of the CD to the amount of the adjusted cost estimate.

Insurance Policy: The anniversary date of an **insurance policy** is the effective date of the policy. The owner/operator must submit an endorsement to the existing policy or a new declarations page increasing the face amount of the policy to the amount of the total adjusted cost estimate and a new, original Certificate of Insurance reflecting the new current cost estimate. If the insurance policy is one that has a policy period of three (3) years, then the insurer must build the cost of inflation for those 3 years into the policy limits when it issues the policy.

Corporate Financial Test: The anniversary date of the **corporate financial test** is ninety (90) days following the close of the entity's fiscal year. The owner/operator must submit a new financial test in the amount of the adjusted cost estimate, along with the supplemental financial information described in section 7.6.

Local Government Financial Test: The anniversary date of the **local government financial test** is one hundred eighty (180) days following the close of the locality's fiscal year (usually December 30). The local government owner/operator must submit a new financial test in the amount of the adjusted cost estimate, along with the supplemental financial information described in section 7.8.

Corporate Guarantee: The anniversary date of the **corporate guarantee** is ninety (90) days from the close of the entity's fiscal year. Because the guarantee does not require that the guarantor specify the facility cost estimates, the guarantor is not required to update it each year, unless the guarantor includes the cost estimates on the guarantee. However, the financial test which underlies the guarantee must be updated annually.

Local Government Guarantee: The anniversary date of the **local government guarantee** is one hundred eighty (180) days following the close of the entity's fiscal year. Because the guarantee does not require that the guarantor specify the facility cost estimates, the guarantor is not required to update it each year, unless the guarantor includes the cost estimates on the guarantee. However, the financial test which underlies the guarantee must be updated annually.

11. Cancellation or Termination of a Mechanism, Cashing or Drawing on Mechanisms (9 VAC 20-70-170, -160, -220, -230)

A financial assurance provider can cancel a performance bond, letter of credit, or guarantee or allow it to expire. In those cases, the Department will act to cash the mechanism or obtain alternate financial assurance before the mechanism expires. The following procedures will apply.

11.1 Letter of Credit

The Regulation requires a financial institution to provide one hundred twenty (120) days notice of cancellation or termination of the letter of credit to the Department and the owner/operator. When the Department receives the notice of cancellation, OFA notifies the owner/operator by letter and directs the owner/operator to provide a replacement mechanism in the amount of the expiring one. The letter will direct the owner/operator to submit the alternate mechanism to the Department *no later than thirty days* before the stated expiration date. The letter should warn the owner/operator that the Department intends to cash the mechanism if alternate financial assurance is not provided.

If the Department has not received an acceptable replacement mechanism within thirty (30) days of the stated expiration date, OFA sends a demand letter via express mail to the financial assurance provider directing the provider to cash the letter of credit and transmit the entire amount of the letter of credit into the facility's standby trust account. Before sending the letter, OFA contacts the trustee of the standby trust for specific wiring instructions and includes those instructions in the demand letter. OFA also notifies the trustee, at this time, of the pending wire transaction. A copy of the letter of credit and a signed sight draft should accompany the letter. Generally, the demand letter instructs the financial provider to cash the letter of credit on the expiration date before close of business. OFA copies the owner/operator on the demand letter and reiterates the Department's request for an alternate mechanism.

If there is no standby trust then the demand letter will instruct the financial assurance provider to issue a check to the Department. OFA copies the Office of Financial Management (OFM) on the demand letter and sends an email providing the facts of the situation so that OFM may prepare to create an account for the funds.

If the Department receives an alternate mechanism from the facility owner/operator, OFA reviews the documents according to the procedures outlined in Section 7. If the mechanism complies with the Regulation and is in the amount of the previous mechanism, the Department issues a letter to the financial assurance provider retracting the demand for funds. The letter will be faxed to the provider and the owner/operator and the original mailed certified to the provider with copies to the appropriate RO staff, and OFM, if necessary. If the replacement mechanism does not comply with the Regulation, OFA contacts the facility owner/operator immediately with the required changes. If the facility owner/operator submits a corrected mechanism before the cashing date, then the procedures described above should be followed.

If the owner/operator does not submit a replacement mechanism or submits a mechanism that does not comply with the Regulation and fails to correct the problems in a timely

manner, the Department will not issue a retraction letter and the financial assurance provider will cash the mechanism. The trustee of the standby trust or OFM will be notified that the funds are forthcoming. OFA should request a faxed notification from the trustee of receipt of the funds.

Upon receipt of an acceptable mechanism in the amount of the expired mechanism, the Department will instruct the trustee or OFM to return the funds to the owner/operator.

11.2 Surety Bonds

The Regulation requires a surety company to provide 120 days notice of cancellation or termination of a performance bond to the Department and the owner/operator. When the Department receives the notice of cancellation, OFA notifies the owner/operator by letter and directs the owner/operator to provide a replacement mechanism in the amount of the expiring one. The letter directs the owner/operator to submit the alternate mechanism to the Department *no later than sixty days* before the stated expiration date. The letter should warn the owner/operator that the Department intends to make a claim on the bond if alternate financial assurance is not provided.

If the Department has not received an acceptable replacement mechanism within thirty (30) days of the stated expiration date, OFA sends a letter via overnight mail to the financial assurance provider directing the provider to pay out the full amount of the bond to the Department and transfer the funds into the facility's standby trust account. Before sending the letter, OFA contacts the trustee of the standby trust for specific wiring instructions and includes those instructions in the demand letter. OFA also notifies the trustee of the pending wire transaction. A copy of the bond should accompany the letter. Generally, the demand letter requests that the surety pay out on the bond on the bond's expiration date before close of business. OFA also copies the owner/operator on the demand letter and reiterates the Department's request for an alternate mechanism.

If there is no standby trust then the demand letter will instruct the financial assurance provider to issue a check to the Department. OFA copies the OFM on the demand letter and sends an email providing the facts of the situation so that OFM may prepare to create an account for the funds.

If the Department receives an alternate mechanism from the facility owner/operator, OFA reviews the documents according to the procedures outlined in Section 7. If the mechanism complies with the Regulation and is in the amount of the previous mechanism, the Department issues a letter to the financial assurance provider retracting the demand for funds. The letter will be faxed to the provider and the owner/operator and the original mailed certified to the provider. RO staff (and OFM, if necessary) and the owner/operator will be copied on the letter.

If the replacement mechanism does not comply with the Regulation, OFA contacts the facility owner/operator immediately with the required changes. If the facility owner/operator submits a corrected mechanism before the cashing date then the

procedures described above should be followed.

If the owner/operator does not submit a replacement mechanism or submits a mechanism that does not comply with the Regulation and fails to correct the problems in a timely manner, the Department will not issue a retraction letter and the financial assurance provider will cash the mechanism. The trustee of the standby trust or OFM will be notified that the funds are forthcoming. OFA should request a faxed notification from the trustee of receipt of the funds.

Upon receipt of an acceptable mechanism in the amount of the expired mechanism, the Department will instruct the trustee or OFM to return the funds to the owner/operator.

11.3 Guarantee

A guarantor must give the Department and the owner/operator at least one hundred twenty (120) days notice of cancellation. Upon receipt of the cancellation notice, OFA sends a letter to the owner/operator requesting alternate financial assurance and setting a submission date that is ninety (90) days from receipt of the cancellation notice. OFA sends a separate letter to the guarantor reminding him that he remains responsible for providing financial assurance until the facility owner/operator submits a replacement mechanism. Upon receipt of a replacement mechanism, OFA reviews it according to the procedures set out in Section 7.

12. Trust Disbursement Procedures (9 VAC 20-70-150)

Facility owners/operators who demonstrate financial assurance through a trust fund may request reimbursement from the trust after completion of approved closure, post-closure and/or corrective action activities. The Department approves disbursement requests only when it is clear from the itemized cost estimate, the closure/post-closure/corrective action plan, and the trust fund balance that sufficient funds remain in the trust to pay for completion of the remaining activities. If staff cannot ascertain from the information available that authorizing the disbursement request will not result in a shortfall in funds before completion of all required activities, the disbursement request will be denied.

The disbursement approval process is a cooperative one between OFA, OWP and RO compliance staff. Upon receipt of a disbursement request from a facility owner/operator, OFA contacts OWP to confirm that the activities for which the owner/operator is requesting reimbursement were completed pursuant to an approved closure, post-closure or corrective action plan, whichever is applicable. OFA also contacts the appropriate RO to request an inspection to confirm completion of the activities. At the same time, OFA staff compare the disbursement request to the trust fund balance to ensure that sufficient funds will remain after disbursement to cover the remaining activities in the approved plan(s). OWP staff compare the completed activities to the approved plan and inform OFA staff whether the completed activities were appropriate. RO compliance staff inspect the facility to confirm that the facility owner/operator completed the activities for which reimbursement has been requested in

accordance with the approved plan. Upon receipt of OWP's approval and the RO's confirmation of completion, OFA sends a letter to the trustee authorizing release of the funds.

13. Facility Abandonment [Reserved]

The procedures for accessing and using a financial assurance mechanism to effect closure, post-closure or corrective action of an abandoned facility are under development.

14. Incapacity of Providers or owners or operators (9 VAC 20-70-270)

The owner/operator must notify the Department immediately if a financial provider has filed for bankruptcy or if the provider's authority to issue the mechanism has been suspended or revoked (removal from the Circular 570). The owner/operator must provide a replacement mechanism in the amount of the existing mechanism within sixty (60) days of the date upon which the financial provider became ineligible. The replacement mechanism will be reviewed according to the procedures set out in Section 7.

An owner/operator must notify the Department by certified mail of the commencement of voluntary or involuntary bankruptcy within ten (10) days after commencement of the proceeding. Upon receipt of this notification, OFA staff notify the appropriate RO and provide a draft letter to send to the facility owner/operator reminding him of his compliance obligations. Upon receipt of the draft letter, RO staff revise the letter to add any specific current compliance issues and send it to the facility owner/operator.

15. Release from Demonstration Requirements (9 VAC 20-70-260)

The Regulation requires the Department to release a facility owner/operator from the obligation to demonstrate financial assurance upon the completion of closure, post-closure or corrective action activities. Typically, RO compliance staff review the facility closure certification and issue an approval letter if everything is in order. The RO compliance staff copy OFA on the approval letter. Review and approval of post-closure certifications are the joint responsibility of OWP and the appropriate RO. Upon receipt of the approval letter, OFA sends notice to the owner/operator that financial assurance is no longer required for the particular completed activity. OFA returns the original financial assurance mechanism to the provider, if necessary, via express mail along with a letter agreeing to the termination of the mechanism. A copy of the termination letter is provided to the owner/operator, RO staff and Solid Waste Permit Manager.

Waste Division Director

Date

**APPENDIX I
SOLID WASTE REVIEW PROCEDURES**

REVIEW FORMS

General Review Form for Hazardous/Solid Waste

REVIEWER: _____ DATE: _____

FACILITY NAME: _____

EPA, PERMIT OR PBR #: _____

PARENT COMPANY: _____

FINANCIAL ASSURANCE FOR: (circle all that apply)

Closure Post-Closure Sudden Liability Non-Sudden Liability

CLOSURE COST ESTIMATE: _____

POST-CLOSURE COST ESTIMATE: _____

TYPE OF FINANCIAL MECHANISM FOR CLOSURE AND/OR POST-CLOSURE:

AMOUNT DEMONSTRATED:

CLOSURE: _____

POST-CLOSURE: _____

THIRD PARTY COVERAGE FOR BODILY INJURY AND PROPERTY DAMAGE:

SUDDEN LIABILITY AMOUNT: _____

NON-SUDDEN LIABILITY AMOUNT: _____

TYPE OF FINANCIAL MECHANISM FOR SUDDEN AND/OR NON-SUDDEN LIABILITY:

IF INSURANCE FOR LIABILITY: NAME OF INSURER: _____

DEDUCTABLE: _____ SCC REGISTERED: Y OR N

DATE OF SUBMISSION: _____

Financial Test Review Procedures

Facility Name: _____

Permit # _____ Date Submitted: _____, 20 _____

Financial Test

Original Mechanism.....Y.....N Language Correct.....Y.....N

Calculations Correct.....Y.....N Do They Qualify.....Y.....N

General Auditor's Opinion Unqualified Opinion?.....Y.....N

Special CPA Report Did We Receive the Report?.....Y.....N

Did It State Procedures?.....Y.....N

Did It State Findings?.....Y.....N

CAFR Did we receive the CAFR?.....Y.....N

Reference to Landfill?.....Y.....N Page # _____ Note # _____

Nature/Source of Closure, Post-Closure Costs:.....Y.....N

Reported Liability At Balance Sheet:.....Y.....N

Estimated Total Closure, Post-Closure Cost Remaining to Be Recognized:...Y....N

Percentage of Landfill Capacity Used To Date:....Y.....N

Estimated Landfill Life In Years:...Y.....N

Certification of Funding Form Received Form?.....Y.....N

Bond Rating Service Documentation

Received Documents?.....Y.....N.....N/A

Are They Investment Grade?.....Y.....N.....N/A

Cost Estimates

Closure Costs Approved?....Y.....N.....N/A Date of Approval: _____, 20__

Adjusted for Inflation?.....Y.....N.....N/A Contact: _____

Amount Demonstrated: _____

Post-Closure Costs Approved?...Y...N...N/A Date of Approval: _____, 20__

Adjusted for Inflation?.....Y.....N.....N/A Contact: _____

Amount Demonstrated: _____

Corrective Action Costs Approved?..Y...N...N/A Date of Approval: _____, 20__

Adjusted for Inflation?.....Y.....N.....N/A Contact: _____

Amount Demonstrated: _____

Comments: _____

Approval Letter Sent.....Y.....N Date: _____, 20__.

Needs to Submit Letter Sent.....Y.....N..... N/A Date: _____, 20__.

Response Due By: _____, 20__.

Response Received.....Y.....N Date: _____, 20__.

Response Accepted.....Y.....N

Approval Letter Sent.....Y.....N Date: _____, 20__.

Financial Assurance Information Entered Into CEDS?.....Y.....N