

VIRGINIA WASTE MANAGEMENT BOARD
9 VAC 20-70 FINANCIAL ASSURANCE REGULATIONS FOR
SOLID WASTE DISPOSAL, TRANSFER AND TREATMENT FACILITIES

PAGE 1 OF 8

9 VAC 20-70-290 F. Wording of letter from chief financial officer.

(NOTE: Instructions in parentheses are to be replaced with the relevant information and the parentheses removed.)

Director

Department of Environmental Quality

P.O. Box 10009

Richmond, Virginia 23240-0009

Dear (Sir, Madam):

I am the chief financial officer of (name and address of firm). This letter is in support of this firm's use of the financial test to demonstrate financial assurance, as specified in 9 VAC 20-70-200 of the Financial Assurance Regulations for Solid Waste Disposal, Transfer, and Treatment Facilities (9 VAC 20-70-10 et seq.) ("Regulations").

(Fill out the following four paragraphs regarding solid waste, regulated medical waste, yard waste composting, hazardous waste, underground injection (regulated under the federal program in 40 CFR Part 144, or its equivalent in other states), petroleum underground storage (9 VAC 25-590-10 et seq.), above ground storage facilities (9 VAC 25-640-10 et seq.) and PCB storage (regulated under 40 CFR Part 761) facilities and associated cost estimates. If your firm has no facilities that belong in a particular paragraph, write "None" in the space indicated. For each facility, include its name, address, permit number, if any, and current closure, post-closure care, corrective action or any other environmental obligation cost estimates. Identify each cost estimate as to whether it is for closure, post-closure care, corrective action or other environmental obligation.)

1. This firm is the owner or operator of the following facilities for which financial assurance is demonstrated through the corporate test specified in 9 VAC 20-70-200 or its equivalent in other applicable regulations. The current cost estimates covered by the test are shown for each facility:

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2. This firm guarantees, through the corporate guarantee specified in 9 VAC 20-70-220, the financial assurance for the following facilities owned or operated by subsidiaries of this firm.

The current cost estimates so guaranteed are shown for each facility:

3. This firm, as owner or operator or guarantor, is demonstrating financial assurance for the following facilities through the use of a financial test. The current cost estimates covered by such a test are shown for each facility:

4. This firm is the owner or operator of the following waste management facilities for which financial assurance is not demonstrated through the financial test or any other financial assurance mechanism. The current cost estimates for the facilities which are not covered by such financial assurance are shown for each facility:

This firm (insert "is required" or "is not required") to file a Form 10K with the Securities and Exchange Commission (SEC) for the latest fiscal year.

The fiscal year of this firm ends on (month, day). The figures for the following items marked with an asterisk are derived from this firm's independently audited, year-end financial statements for the latest completed fiscal year, ended (date).

1) Sum of current closure, post-closure care, corrective action or other environmental obligations cost estimates (total of all cost estimates shown in the four paragraphs above.) \$_____

2) Tangible net worth* \$_____

3) Total assets located in the United States* \$_____

YES NO

Line 2 exceeds line 1 by at least \$10 million?

Line 3 exceeds line 1 by at least \$10 million?

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(Fill in Alternative I if the criteria of 9 VAC 20-70-200 1 a (1) are used. Fill in Alternative II if the criteria of 9 VAC 20-70-200 1 a (2) are used. Fill in Alternative III if the criteria of 9 VAC 20-70-200 1 a (3) are used.)

ALTERNATIVE I

Current bond rating of this firm's senior unsubordinated debt and name of rating service

Date of issuance of bond

Date of maturity of bond

ALTERNATIVE II

4) Total liabilities * (if any portion of the closure, post-closure care, corrective action or other environmental obligations cost estimates is included in total liabilities, you may deduct the amount of that portion from this line and add that amount to line 5.) \$ _____

5) Net worth * \$ _____

Is line 4 divided by line 5 less than ~~2.0~~ 1.5? YES NO

ALTERNATIVE III

6) Total liabilities * \$ _____

7) The sum of net income plus depreciation, depletion, and amortization minus \$10 million*
\$ _____

Is line 7 divided by line 6 greater than 0.1? YES NO

I hereby certify that the wording of this letter is identical to the wording in 9 VAC 20-70-290 F of the Financial Assurance Regulations for Solid Waste Disposal, Transfer, and Treatment Facilities as such regulations were constituted on the date shown immediately below.

(Signature)

(Name)

(Title)

9 VAC 20-70-290 G. Wording of the local government letter from chief financial officer.

(NOTE: Instructions in parentheses are to be replaced with the relevant information and the parentheses deleted.)

LETTER FROM CHIEF FINANCIAL OFFICER

I am the chief financial officer of (insert: name and address of local government owner or operator, or guarantor). This letter is in support of the use of the financial test to demonstrate financial responsibility for ("closure care" "post-closure care" "corrective action costs") arising from operating a solid waste management facility.

The following facilities are assured by this financial test: (List for each facility: the name and address of the facility, the permit number, the closure, post-closure and/or corrective action costs, whichever applicable, for each facility covered by this instrument).

This owner's or operator's financial statements were prepared in conformity with Generally Accepted Accounting Principles for governments and have been audited by ("an independent certified public accountant" "Auditor of Public Accounts"). The owner or operator has not received an adverse opinion or a disclaimer of opinion from ("an independent certified public accountant" "Auditor of Public Accounts") on its financial statements for the latest completed fiscal year.

This owner or operator is not currently in default on any outstanding general obligation bond. Any outstanding issues of general obligation, if rated, have a Moody's rating of Aaa, Aa, A, or Baa or a Standard and Poor's rating of AAA, AA, A or BBB; if rated by both firms, the bonds have a Moody's rating of Aaa, Aa, A or Baa and a Standard and Poor's rating of AAA, AA, A, or BBB.

The fiscal year of this owner or operator ends on (month, day). The figures for the following items marked with the asterisk are derived from this owner's or operator's independently audited, year-end financial statements for the latest completed fiscal year ended (date).

(Please complete Alternative I or Alternative II.)

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(Fill in Alternative I if the criteria in 9 VAC 20-70-210 1 a (1) are used. Fill in Alternative II if the criteria of 9 VAC 20-70-210 1 a (2) are used.)

ALTERNATIVE I – BOND RATING TEST

The details of the issue date, maturity, outstanding amount, bond rating, and bond rating agency of all outstanding general obligation bond issues that are being used by (name of local government owner or operator, or guarantor) to demonstrate financial responsibility are as follows: (complete table):

Issue Date	Maturity Date	Outstanding Amount	Bond Rating	Rating Agency
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Any outstanding issues of general obligation bonds, if rated, have a Moody's rating of Aaa, Aa, A, or Baa or a Standard and Poor's rating of AAA, AA, A or BBB; if rated by both firms, the bonds have a Moody's rating of Aaa, Aa, A or Baa and a Standard and Poor's rating of AAA, AA, A or BBB.

1) Sum of current closure, post-closure and corrective action cost estimates (total of all cost estimates listed above)
 \$ _____

*2) Operating Deficit

(a) latest completed fiscal year (insert year) \$ _____

(b) previous fiscal year (insert year) \$ _____

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*3) Total Revenue

(a) latest completed fiscal year (insert year)\$ _____

(b) previous fiscal year (insert year) \$ _____

4) Other self-insured environmental costs

(a) Amount of aggregate underground injection control systems financial assurance insured by a financial test under 40 CFR 144.62\$ _____

(b) Amount of annual underground storage tank aggregate coverage insured by a financial test under 40 CFR Part 280 and 9 VAC 25-590-10 et seq. \$ _____

(c) Amount of aggregate costs associated with PCB storage facilities insured by a financial test under 40 CFR Part 761 \$ _____

(d) Amount of annual aggregate hazardous waste financial assurance insured by a financial test under 40 CFR Parts 264 and 265 and 9 VAC 20-60-12 et seq.

\$ _____

(e) Total of lines 4(A) through 4(d) \$ _____

YES NO

5) Is (line 2a ÷ line 3a) < 0.05 ? _____

6) Is (line 2b ÷ line 3b) < 0.05? _____

7) Is (line 1 + line 4e) ≤ (line 3a x 0.43)? _____

8) Is (line 1 + line 4e) ≤ (line 3a x.20)? _____

If the answer to line 7 is yes and the answer to line 8 is no, please attach documentation from the agent/trustee /issuing institution stating the current balance of the account/fund /irrevocable letter of credit as of the latest fiscal reporting year to this form as required by 9 VAC 20-70-210.

ALTERNATIVE II – FINANCIAL RATIO TEST

1) Sum of current closure, post-closure and corrective action cost estimates \$ _____

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*2) Operating Deficit

(a) latest completed fiscal year (insert year)\$ _____

(b) previous fiscal year (insert year) \$ _____

*3) Total Revenue

(a) latest completed fiscal year (insert year)\$ _____

(b) previous fiscal year (insert year) \$ _____

4) Other self-insured environmental costs

(a) Amount of aggregate underground injection control systems financial assurance insured by a financial test under 40 CFR 144.62\$ _____

(b) Amount of annual underground storage tank aggregate coverage insured by a financial test under 40 CFR Part 280 and 9 VAC 25-590-10 et seq. \$ _____

(c) Amount of aggregate costs associated with PCB storage facilities insured by a financial test under 40 CFR Part 761 \$ _____

(d) Amount of annual aggregate hazardous waste financial assurance insured by a financial test under 40 CFR Parts 264 and 265 and 9 VAC 20-60-12 et seq. \$ _____

(e) Total of lines 4(a) through 4(d) \$ _____

*5) Cash plus marketable securities \$ _____

*6) Total Expenditures \$ _____

*7) Annual Debt Service \$ _____

YES NO

8) Is (line 2a ÷ line 3a) < 0.05? _____

9) Is (line 2b ÷ line 3b) < 0.05? _____

10) Is (line 1 + line 4e) ≤ (line 3a x 0.43)? _____

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11) Is $(\text{line } 5 \div \text{line } 6) \geq 0.05$? ___ ___

12) Is $(\text{line } 7 \div \text{line } 6) \leq 0.20$? ___ ___

13) Is $(\text{line } 1 + \text{line } 4e) \leq (\text{line } 3a \times .20)$ ___ ___

~~(The owner or operator must answer "Yes" to questions 8-12 to qualify to use this Alternative)~~

If the answer to line 13 is no, please attach documentation from the agent/trustee/issuing institution stating the current balance of the account/fund/irrevocable letter of credit as of the latest fiscal reporting year to this form as required by 9 VAC 20-70-210.

I hereby certify that the wording of this letter is identical to the wording in 9 VAC 20-70-290 G of the Financial Assurance Regulations for Solid Waste Disposal, Transfer, and Treatment Facilities as such regulations were constituted on the date shown immediately below.

(Signature)

(Name of person signing)

(Title of person signing)

(Date)

CERTIFIED TRUE AND ACCURATE: _____
Robert G. Burnley, Director, DEQ

DATE: _____