

APPENDIX 8

**FINANCIAL ASSURANCE INSTRUMENT
FOR POST CLOSURE CARE**

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FINANCIAL ASSURANCE INSTRUMENT FOR POST CLOSURE CARE

For many years, the Delaware Solid Waste Authority has recognized the financial assurance liability for the Pigeon Point Landfill in its Annual Financial Report as a part of its overall financial assurance for all of its Solid Waste Facilities. In addition, an annual Financial Assurance Mechanism Certification, which covers all DSWA Solid Waste Facilities including the Pigeon Point Landfill, is sent to the Solid & Hazardous Waste Management Branch of the Department of Natural Resources and Environmental Control.

Included in this **Appendix 8** is a copy of the most recent Financial Assurance Mechanism Certification letter dated December 19, 2005 along with the pages containing information specifically about the Pigeon Point Landfill.



DELAWARE SOLID WASTE AUTHORITY

Board of Directors

Richard V. Pryor

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William J. DiMondi

Timothy P. Sheldon

Tonda L. Parks

Suzanne C. Moore

N.C. Vasuki, P.E., DEE
*Chief Executive Officer*Pasquale S. Canzano, P.E., DEE
Chief Operating Officer

December 19, 2005

Ms. Nancy Marker
Program Manager II
Solid & Hazardous Waste Management Branch
DNREC
89 Kings Highway
P.O. Box 1401
Dover, DE 19903

RE: Financial Assurance Mechanism Certification - GASB 18

Dear Ms. Marker:

Attached please find the Audited Financial Statements and documentation necessary to certify DSWA's compliance with the requirements of the state approved Financial Assurance Mechanism for Closure and Post-Closure Care. The certification is for the Fiscal Year ending June 30, 2005.

As of June 30, 2005, the DSWA has no outstanding bonded debt on its books, thus there are no bond rating confirmations from the rating agencies.

If you have any questions please feel free to contact me.

Sincerely,

Ronald J. Peters, Sr.
Chief Financial Officer**Attachments**cc: N. C. Vasuki, P.E., DEE
P. S. Canzano, P.E., BCEE
R. P. Watson, P.E., DEE
T. E. Houska II, P.E., BCEE

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& Associates Ltd

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M. Deborah Pitt, E.A., Principal
Joseph J. Glowacki (Retired)

CERTIFIED PUBLIC ACCOUNTANTS

**CERTIFICATION OF COMPLIANCE
WITH FINANCIAL ASSURANCE MECHANISM
FOR CLOSURE AND POST CLOSURE CARE COSTS**

I, Richard J. Thomas, CPA, CVA, Shareholder of Elko & Associates Ltd, Certified Public Accountants engaged as independent auditors of the Delaware Solid Waste Authority, do hereby certify that the information in the Authority's Chief Financial Officer's letter of **Certification of Compliance with Financial Assurance Mechanism for Closure and Post Closure Care Costs** is consistent with the Authority's audited financial statements for the year ended June 30, 2005.

WITNESS:

SIGNED:

DATE:

12/13/05

**CERTIFICATION OF COMPLIANCE
WITH FINANCIAL ASSURANCE MECHANISM
FOR CLOSURE AND POST CLOSURE CARE COSTS**

I, Ronald J. Peters, Sr., Chief Financial Officer of the Delaware Solid Waste Authority, do hereby certify that the Delaware Solid Waste Authority has:

- 1) No outstanding bonds as of June 30, 2005.
- 2) Received an unqualified opinion from its independent auditor following their audit of the financial statements of the Authority for the fiscal year ended June 30, 2005. The audit was conducted in accordance with all applicable GAAP and GAAS standards for governmental entities (Exhibit 1).
- 3) Calculated its liability for closure and post closure care costs in accordance with GASB Statement No. 18 and this liability has been fully disclosed in the Authority's audited financial statements for the fiscal year ended June 30, 2005.

WITNESS:

William H. Baker

SIGNED:

Ronald J. Peters

DATE:

12-19-2005

DELAWARE SOLID WASTE AUTHORITY
Accrued MSWLF Closure and Post Closure Care Costs
Fiscal Year June 30, 2005

BB 4 MSWLF

	<u>Total</u>	<u>Cherry Island 208101-1N0101</u>	<u>Pigeon Point 208101-1N0102</u>	<u>Central (Sandtown) 208101-1P0101</u>	<u>Southern (Rt. 20) 208101-1R0101</u>
Accrual					
7/1/04 Balance	(42,677,910.00)	(21,220,526.00)	(4,470,000.00)	(5,094,094.00)	(11,893,290.00)
F/Y 2005 Accruals	(4,179,177.00)	(2,567,226.96)		(562,488.96)	(1,049,461.08)
Bal per G/L	<u>(46,857,087.00)</u>	<u>(23,787,752.96)</u>	<u>(4,470,000.00)</u>	<u>(5,656,582.96)</u>	<u>(12,942,751.08)</u>
Adjust Closure expenditures:					
AJE-	-				
AJE-	-				
AJE-	-				
Adjust Post Closure expen	-				
AJE- Post Closure costs	495,800.89		495,800.89		
AJE- To adjust year end	(10,582,180.89)	(8,173,028.04)	(750,800.89)	(644,253.04)	(1,014,098.92)
Final	<u>(56,943,467.00)</u>	<u>(31,960,781.00)</u>	<u>(4,725,000.00)</u>	<u>(6,300,836.00)</u>	<u>(13,956,850.00)</u>
		TB	TB	TB	TB

	<u>Total</u>	<u>508101-1N0101</u>	<u>508101-1N0102</u>	<u>508101-1P0101</u>	<u>508101-1R0101</u>
Expense					
F/y 01 Final	<u>2,335,124.88</u>	<u>1,150,229.00</u>	<u>(220,587.12)</u>	<u>572,275.00</u>	<u>833,208.00</u>
F/y 02 Final	<u>4,339,979.92</u>	<u>1,819,912.00</u>	<u>592,105.63</u>	<u>1,232,462.56</u>	<u>695,499.73</u>
F/y 03 Final	<u>4,179,177.04</u>	<u>2,101,441.00</u>	<u>465,786.33</u>	<u>562,489.00</u>	<u>1,049,460.71</u>
F/y 03 Final	<u>2,641,360.89</u>	<u>1,302,487.00</u>	<u>695,113.90</u>	<u>193,803.99</u>	<u>449,956.00</u>
F/Y 2005 Accruals	4,212,604.00	2,567,226.96	33,427.00	562,488.96	1,049,461.08
Client posting of repairs to	-				
Balance per G/L	<u>4,212,604.00</u>	<u>2,567,226.96</u>	<u>33,427.00</u>	<u>562,488.96</u>	<u>1,049,461.08</u>
AJE-	(33,427.00)		(33,427.00)		
AJE- To adjust year end	10,582,180.89	8,173,028.04	750,800.89	644,253.04	1,014,098.92
Final	<u>14,761,357.89</u>	<u>10,740,255.00</u>	<u>750,800.89</u>	<u>1,206,742.00</u>	<u>2,063,560.00</u>
		TB	TB	TB	TB
PY Bal	2,641,360.89	1,302,487.00	695,113.90	193,803.99	449,956.00

Financial Statement Disclosures

Current Portion	(450,000.00)	-	(450,000.00)	-	-
Long-term Portion	<u>(56,493,467.00)</u>	<u>(31,960,781.00)</u>	<u>(4,275,000.00)</u>	<u>(6,300,836.00)</u>	<u>(13,956,850.00)</u>
Total	<u>(56,943,467.00)</u>	<u>(31,960,781.00)</u>	<u>(4,725,000.00)</u>	<u>(6,300,836.00)</u>	<u>(13,956,850.00)</u>

BB Closure/Post Closure Costs

<u>Landfill</u>	<u>Capacity Used</u>	<u>Estimated Remaining Life</u>	<u>Total Costs</u>	<u>Cumulative Accrued Costs</u>	<u>Future Costs</u>
Cherry Island	93.71%	1 year	34,206,920.00	31,960,781.00 F/S	2,246,139.00 F/S
Central (Sandtown)	28.04%	51 years	46,711,001.00	6,300,836.00 F/S	40,410,165.00 F/S
Southern (Rt 20)	34.97%	24 years	44,692,550.00	13,956,850.00 F/S	30,735,700.00 F/S
Pigeon Point	100.00%	Closed 1985	4,725,000.00	4,725,000.00 F/S	-
Total			<u>130,335,471.00</u>	<u>56,943,467.00</u>	<u>73,392,004.00</u>

Phase III, IV and V at Cherry Island will be extended in 2006, increasing the total capacity to 18,056,500 tons and extending the life by approximately 19 years. This will reduce the total capacity used in 2006 and therefore in turn the cumulative accrued costs to date will be substantially decreased.

BB.4.4 Postclosure 2005

DELAWARE SOLID WASTE AUTHORITY
 Post Closure Care Costs-Current Year Expenditures
 Fiscal Year June 30, 2005

PIGEON POINT

	<u>Account #</u>	<u>Add'l A/P's</u>	<u>G/L Bal</u>	<u>AJE-</u>	<u>Total</u>
Safety Training					-
Legal Counsel	502010-1N0102	-01	52.00	(52.00)	-
Consult Eng SVC-Mgt	502061-1N0102	-01		-	-
Consult Eng SVC-Oper	502062-1N0102	-01	55,452.74	(55,452.74)	-
Enviro Mon & Analy	502063-1N0102	-01	49,553.98	(49,553.98)	-
Misc Prof Serv	502999-1N0102	-01		-	-
Meals	503040-1N0102	-01		-	-
Electric	504010-1N0102	-01	68,679.92	(68,679.92)	-
Water	504020-1N0102	-01		-	-
Sewer	504030-1N0102	-01	179,009.71	(179,009.71)	-
Telephone	504040-1N0102	-01		-	-
Office Supplies	505010-1N0102	-01		-	-
Computer supplies	505030-1N0102	-01		-	-
Maintenance Supplies	505040-1N0102	-01		-	-
Safety Supplies	505050-1N0102	-01	359.44	(359.44)	-
Field Supplies	505110-1N0102	-01		-	-
Geotextile Fabric	505150-1N0102	-01		-	-
Stone for Roads	505160-1N0102	-01	6,197.74	(6,197.74)	-
Fuel for Equipment	505170-1N0102	-01		-	-
Pest Control	506032-1N0102	-01		-	-
M&R Office Buildings	506041-1N0102	-01		-	-
M&R Office Equip	506042-1N0102	-01		-	-
M&R Automobile	506043-1N0102	-01		-	-
M&R Field Equip	506044-1N0102	-01	18,718.19	(18,718.19)	-
M&R Scales	506045-1N0102	-01		-	-
Landscaping	506047-1N0102	-01	16,110.00	(16,110.00)	-
Surveying-Landfill	506051-1N0102	-01	738.00	(738.00)	-
Surveying-Topographic	506052-1N0102	-01		-	-
Insurmac	506060-1N0102	-01	19,678.00	(19,678.00)	-
Leachate Hauling	506071-1N0102	-01		-	-
Site Security	506100-1N0102	-01		-	-
Methane Gas Recovery	506120-1N0102	-01	33,122.66	(33,122.66)	-
Printing & Reproduction	506130-1N0102	-01		-	-
Public Notice	506141-1N0102	-01	558.45	(558.45)	-
Permit Fees	506180-1N0102	-01	4,530.00	(4,530.00)	-
Misc Contractural svcs	506990-1N0102	-01		-	-
TopSoil	507023-1N0102	-01		-	-
Seeding	507050-1N0102	-01	3,477.22	(3,477.22)	-
Stone	507080-1N0102	-01		-	-
Seep Repairs	507090-1N0102	-01		-	-
Drainage Maintenance	507110-1N0102	-01	1,245.84	(1,245.84)	-
Site Maintenance	507120-1N0102	-01	4,890.00	(4,890.00)	-
Road Repairs	507130-1N0102	-01		-	-
Closure/Post Closure	508101-1N0102	-01	33,427.00	(33,427.00)	-
Total			495,800.89	(495,800.89)	-