



Inflation Factor Financial Assurance Cost Estimate Update Checklist

Permittee:		APP/MFPA No.:	
Reviewer:		LTF:	
Today's Date		Checked By	

Checklist Instructions

This checklist is provided as a guideline for ADEQ staff and the Applicant for developing an Inflation Factor and using it to update closure, post-closure, and corrective action cost estimates. Please contact the Solid Waste Unit if you have questions regarding the appropriate use of an Inflation Factor for your particular cost estimate update.

This checklist does not supplant or supersede statutory or rule requirements and is not intended to be binding on the applicant or ADEQ staff. Other methods or references for developing an Inflation Factor may be used and will be reviewed by ADEQ staff.

ADEQ is actively seeking comments, suggestions, or improvement of this checklist via email to Omid Rabbani (or1@azdeq.gov).

Information needed and calculations performed:

1. The most recent closure and post-closure cost estimate approved by ADEQ Solid Waste Unit.
2. The year the most recent closure and post-closure cost estimates was approved.
3. Statement verifying that the landfill/facility has NOT been expanded, or has NOT added activities/processes that will cause an increase in the amount of the most recent approved cost estimate.
4. Multiply all the inflation factors (IFs) starting with the year the cost estimate was approved, up to the most recent year provided in the Inflation Factor Table (Table 1 attached). This product is the Inflation Factor for the permit.
5. Multiply the Inflation Factor by the approved Cost Estimate in the current permit. The product is the Updated Cost Estimate.

Example: Use an Inflation Factor to update a cost estimate of \$100,000.00, which was approved in 2008 that we want to update in 2017. The facility has not changed its closure plan or expanded.

1. Cost Estimate = \$100,000.00
2. Year approved = 2008
3. The Inflation Factor = $IF_{2008} \times IF_{2009} \times IF_{2010} \times IF_{2011} \times IF_{2012} \times IF_{2013} \times IF_{2014} \times IF_{2015} \times IF_{2016}$
 Inflation Factor = $1.01961 \times 1.00760 \times 1.01221 \times 1.02065 \times 1.01796 \times 1.01490 \times 1.01830 \times 1.01002 \times 1.01521 = 1.1449$
4. Updated Cost = Inflation Factor x Cost Estimate
 Updated Cost = $1.1449 \times \$100,000.00 = \$114,490.00$



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Reference Information provided by ADEQ:

Table 1: Inflation Factors
(Updated by March 31 for previous year)

Year	Inflation Factor	Year	Inflation Factor	Year	Inflation Factor	Year	Inflation Factor
1986	1.02018	1996	1.01825	2006	1.03072	2016	1.01521
1987	1.02552	1997	1.01712	2007	1.02661	2017	1.01799
1988	1.03502	1998	1.01086	2008	1.01961	2018	1.02254
1989	1.03888	1999	1.01529	2009	1.00760	2019	TBD on 03-31-2020
1990	1.03698	2000	1.02276	2010	1.01221	2020	TBD on 03-31-2021
1991	1.03329	2001	1.02280	2011	1.02065	2021	TBD on 03-31-2022
1992	1.02280	2002	1.01534	2012	1.01796	2022	TBD on 03-31-2023
1993	1.02379	2003	1.01994	2013	1.01490	2023	TBD on 03-31-2024
1994	1.02127	2004	1.02750	2014	1.01830	2024	TBD on 03-31-2025
1995	1.02086	2005	1.03218	2015	1.01002	2025	TBD on 03-31-2026

Source: U.S. Dept of Commerce, Bureau of Economic Analysis (www.bea.gov), (based on annual implicit price deflators for gross domestic product last revised on 3/31/19).

Notes:

1. For updates done in 2019, use Inflation Factors from the year the permit was issued through 2018.
2. Inflation Factors in Table 1 are calculated by ADEQ based on the referenced implicit prices deflators.