



## Individual Aquifer Protection Permit Cost Estimate Inflation Factor Review Checklist

<b>Permittee:</b>		<b>Inventory No.:</b>	
<b>Reviewer:</b>		<b>LTF:</b>	
<b>Today's Date</b>		<b>Checked By</b>	

**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 a closure and post-closure cost estimate. Please contact the Groundwater Protection Value Stream 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 Shivani Shah ([shah.shivani@azdeq.gov](mailto:shah.shivani@azdeq.gov)).

Information needed and calculations performed:

1. The closure and post-closure cost estimate stated in the current APP (Cost Estimate).
2. The year the current APP was issued.
3. Statement verifying that the facility has NOT changed any of the following: closure plan/strategy and discharging facility list. If this statement is not applicable, please contact the Groundwater Protection Value Stream for guidance.
4. Multiply all the inflation factors (IFs) starting with the year the permit was issued, 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 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 for a permit that was issued in 2018 that we want to update in 2024. The facility has not changed its closure strategy or facility list.

1. Cost Estimate = \$100,000
2. Year issued = 2018
3. Facility verified they have NOT changed closure plan/strategy or discharging facility list
4. The Inflation Factor =  $IF_{2018} \times IF_{2019} \times IF_{2020} \times IF_{2021} \times IF_{2022} \times IF_{2023}$   
 Inflation Factor =  $1.02291 \times 1.01679 \times 1.01320 \times 1.04585 \times 1.07041 \times 1.03645$   
 Inflation Factor = 1.22273
5. Updated Cost = Inflation Factor x Cost Estimate  
 Updated Cost =  $1.22273 \times \$100,000 = \$122,273$



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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
2000	1.02276	2010	1.01221	2020*	1.01320
2001	1.02280	2011	1.02065	2021*	1.04585
2002	1.01534	2012	1.01796	2022*	1.07041
2003	1.01994	2013	1.01490	2023	1.03645
2004	1.02750	2014	1.01830		
2005	1.03218	2015	1.01002		
2006	1.03072	2016	1.01521		
2007	1.02661	2017	1.01799		
2008	1.01961	2018*	1.02291		
2009	1.00760	2019*	1.01679		

Source: U.S. Dept of Commerce, Bureau of Economic Analysis ([www.bea.gov](http://www.bea.gov)), (based on annual implicit price deflators for gross domestic product as listed on 3/31/24).

\* The BEA reset the Index number of the Implicit Price Deflators (IPDs) for Gross Domestic Product (GDP) to 100 for the year 2017. This reset the IPD for 2017 and modified the subsequent annual updates. Also, GDP data has been updated for those years, further changing the IPDs and the inflation factors (IFs) for each year; therefore, the IFs shown are different than what was included under Table 1 of ADEQ's previous Inflation Factor Checklist dated April 2023.

Notes:

1. For updates done in 2024, use Inflation Factors from the year the permit was issued through 2023.
2. Inflation Factors in Table 1 are calculated by ADEQ based on the referenced implicit prices deflators. The Waste Programs Division has calculated and used Inflation Factors for hazardous and solid waste cost estimate updates for many years. The Groundwater Protection Section uses the same method to calculate Inflation Factors for APP cost estimate updates.