



State of Wisconsin

CR 81-230

DEPARTMENT OF NATURAL RESOURCES

Carroll D. Besadny  
Secretary

BOX 7921  
MADISON, WISCONSIN 53707

STATE OF WISCONSIN )  
DEPARTMENT OF NATURAL RESOURCES ) SS

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MAY 7 1982  
2:10  
Revisor of Statutes  
Bureau

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, Carroll D. Besadny, Secretary of the Department of Natural Resources and custodian of the official records of said Department, do hereby certify that the annexed copy of Natural Resources Board Order No. SW-55-81 was duly approved and adopted by this Department on March 24, 1982. I further certify that said copy has been compared by me with the original on file in this Department and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Department at General Executive Facility #2 in the City of Madison, this 5<sup>th</sup> day of May, 1982.

*Carroll D. Besadny*  
Carroll D. Besadny, Secretary

(SEAL)

ORDER OF THE STATE OF WISCONSIN NATURAL RESOURCES BOARD  
AMENDING RULES

.....  
IN THE MATTER of amending ss. NR 180.15(3)(d), .  
(4)(a)1. and (b)1. and 181.42(10)(c)4., (d)1.a. .  
and 2.a. of the Wisconsin Administrative Code .  
pertaining to financial responsibility for .  
closure of solid and hazardous waste facilities .  
.....

SW-55-81

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Analysis Prepared by the Department  
of Natural Resources

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Existing ss. NR 180.15(4) and 181.42(10), Wis. Adm. Code, contain formulas which must be used to calculate financial responsibility for closure of solid waste land disposal facilities and hazardous waste treatment, storage and disposal facilities.

It has been noted that the existing formulas when applied result in a proof of less than the amount necessary to close a site during the anticipated active site life if a deposit is used and a proof of more than the amount necessary to close a site during the anticipated active site life if a bond is used. This anomaly is caused by the existing formulas which factor in the anticipated site life as an exponent, as well as the fact that interest earned on a deposit is expected to accumulate in the account, whereas bonds do not accumulate interest.

The amended formulas more closely align the amount of proof required to the actual amount of money that would be needed if it becomes necessary to close the facility at any time during its active life. This will result in those using deposits having to put more money on deposit prior to site operation and those using bonds will not have to purchase as large a bond. As a result more persons may opt to use bonding as a means of providing proof of financial responsibility. Annual adjustments in the amount of the deposit or the bond will be necessary to accommodate inflation and any interest earned. These annual adjustments are already called for in ss. NR 180.15(5) and 181.42(10)(e).

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Pursuant to the authority vested in the State of Wisconsin Natural Resources Board by ss. 144.431, 144.435, 144.44, 144.441, 144.62, 144.64 and 227.014, Stats., the State of Wisconsin Natural Resources Board hereby amends rules interpreting ss. 144.44, 144.441 and 144.64, Stats., as follows:

SECTION 1 - Section NR 180.15(3)(d) is amended to read:

(d) The estimated annual rate of inflation shall be calculated by dividing the latest published percent change in the annual gross national product implicit price deflator ~~by the deflator published for the previous year~~ in the survey of current business of the bureau of economic analysis, U.S. department of commerce. ~~The result is the estimated annual rate of inflation.~~

SECTION 2 - Section NR 180.15(4)(a)1. is amended to read:

1. 'Deposits for closure.' The formula for closure shall be:

$$D = C \frac{(1 + f)^{SL}}{(1 + i)^{SL} + e}$$

in which:

D = the unknown deposit for closure

C = the estimated cost of closure in today's dollars for the maximum area to be open at any point in time

f = the estimated annual rate of inflation

SL = the estimated active life of the site in years

i = the estimated annual rate of interest

e = the period of closure

SECTION 3 - Section NR 180.15(4)(b)1. is amended to read:

1. 'Bonds for closure.' The formula for closure shall be:

$$CB = C(1 + f)^{SL+e}$$

in which:

CB = the unknown amount of the closure bond

C = the estimated closure cost

f = the estimated annual rate of inflation

SL = the estimated active life of the site

e = the period of closure

SECTION 4 - Section NR 181.42(10)(c)4. is amended to read:

4. The estimated annual rate of inflation shall be calculated by dividing the latest published percent change in the annual gross national product implicit price deflator by ~~the deflator published for the previous~~ year in the survey of current business of the bureau of economic analysis, U.S. department of commerce. ~~The result is the estimated annual rate of inflation.~~

SECTION 5 - Section NR 181.42(10)(d)1.a. is amended to read:

a. Deposits for closure. The formula for closure shall be:

$$D = C \frac{(1 + f)^{SL}}{(1 + i)^{SL+e}}$$

in which:

D = the unknown deposit for closure

C = the estimated cost of closure

f = the estimated annual rate of inflation

SL = the estimated active life of the site in years

i = the estimated annual rate of interest

e = the period of closure

SECTION 6 - Section NR 181.42(10)(d)2.a. is amended to read:

a. Bonds for closure. The formula for closure is:

$$CB = C (1 + f)^{SL+e}$$

in which:

CB = the unknown amount of the closure bond

C = the estimated closure cost

f = the estimated annual rate of inflation

SL = the estimated active life of the site

e = the period of closure

The foregoing rules were approved and adopted by the State of Wisconsin Natural Resources Board on March 24, 1982.

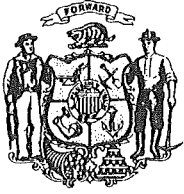
The rules contained herein shall take effect as provided in s. 227.026(1) (intro.), Stats.

Dated at Madison, Wisconsin May 5, 1982.

STATE OF WISCONSIN  
DEPARTMENT OF NATURAL RESOURCES

By Carroll D. Besadny  
Carroll D. Besadny, Secretary

(SEAL)



State of Wisconsin

DEPARTMENT OF NATURAL RESOURCES

Carroll D. Besadny  
Secretary

BOX 7921  
MADISON, WISCONSIN 53707

May 5, 1982

Mr. Orlan L. Prestegard  
Revisor of Statutes  
411 West  
C A P I T O L

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**MAY 7 1982**

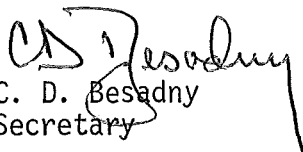
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Dear Mr. Prestegard:

Enclosed are two copies, including one certified copy, of State of Wisconsin Natural Resources Board Order No. SW-55-81. These rules were reviewed by the Assembly Committee on Environmental Resources and the Senate Committee on Agriculture and Natural Resources pursuant to s. 227.018, Stats. There were no comments.

You will note that this order takes effect following publication. Kindly publish it in the Administrative Code accordingly.

Sincerely,

  
C. D. Besadny  
Secretary

Enc.