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FINANCIAL ASSURANCE

WHAT IS REQUIRED AT A MINIMUM:

- ✓ The local government must satisfy one of two financial component conditions in Reg.22.1405 (f).

- ✓ The local government must prepare its financial statements in conformity with Generally Accepted Accounting Principles for governments and be audited by an independent certified public accountant or appropriate state agency.

- ✓ Cannot be currently in default on any outstanding general obligation bond or have any outstanding general obligation bonds rated lower than Baa as issued by Moody's or BBB as issued by Standard and Poors.

- ✓ Cannot have operated at a deficit equal to five percent (5%) or more of total annual revenue in each of the past two fiscal years.

- ✓ Cannot have received an adverse opinion, disclaimer of opinion, or other qualified opinion from the independent certified public accountant or appropriate state agency.

- ✓ Local governments must report annually on whether they continue to meet the conditions of the test and inform the public that they are using the test.

- ✓ The local government must submit the following items to the Director for approval:
    - An original letter signed by the government's chief financial officer that lists all the current costs estimates covered by a financial test; provides evidence and certifies that the local government meets the conditions of Reg.22.1405 (f)(1)(i), (f)(1)(ii), and (f)(1)(iii); and certifies that the local government meets the conditions of Reg.22.1405 (f)(2). Wording of the letter must be filed on forms developed by DEQ.
    - The local governments independently audited year-end financial statements for the latest fiscal year.
    - A report to the local government from the local government's independent certified public accountant or appropriate state agency based on performing agreed upon procedures relative to the financial ratios required by Reg.22.1405 (f)(1)(i)(B) and the requirements of Reg.22.1405 (f)(1)(ii) and Reg.22.1405 (f)(i)(iii)(C) and (D).
    - A copy of the comprehensive annual financial report (CAFR) used to comply with Reg.22.1405 (f)(2).

RCRA SUBTITLE D FINANCIAL ASSURANCE CHECKLIST
LOCAL GOVERNMENT FINANCIAL TEST

Facility Name: Garland County Landfill Permit No. 0300-S4

FINANCIAL TEST: An owner or operator with the financial assets to absorb the costs of closure, post-closure care, and corrective action may comply with financial assurance requirements by using the financial test.

TEST COVERS: ☒ Closure ☑ Post-Closure Care

☐ Corrective Action

Facility/Government Name: Garland County

Address: 501 Ouachita Ave. Ste. 210 Hot Springs, Ar

Contact Person/Title: Billy Sawyer

Contact Phone No.: 501-623-8243

Government's Fiscal Year Ends: 12-31-2026

Closure Cost Estimate (Agency Approved): 1,950,627.80

Source Document / Date: 02-11-2026

Post-Closure Cost Estimate (Agency Approved): $175,587.75

Source Document / Date: 02-11-2026

Corrective Action (Agency Approved): _____

Source Document / Date: _____

Reviewed by: _____

Date: _____

FINANCIAL COMPONENT

Facility Name: _____ Permit No._____

YES	NO	QUESTION
☐X	☐	Does the local government owner or operator pass one of the financial tests outlined on below? **BOND RATING REQUIREMENT**
☐X	☐	Is the current bond rating of the owner or operator adequate? Indicate the appropriate Bond Rating and the source: ☐ **Standard and Poor's** ☐ **Moody's** ☐ AAA ☐ Aaa ☐ AA ☐ Aa ☐ A ☐ A ☐ BBB ☐ Baa **[Reg.22.1405 (f)(1)(i)(A)]**
☐X	☐	**OR** FINANCIAL RATIO ALTERNATIVE Does the owner or operator satisfy each of the following financial ratios based on the owner or operator's most recent audited annual financial statements: ☐ Cash + Marketable securities / Total Expenditures > or = 0.05 ☐ Annual Debt Service / Total Expenditures < 0.20 **[Reg.22.1405 (f)(1)(B) (a) and (b]**
☐X	☐	Has the local government owner or operator prepared its financial statements to conform with Generally Accepted Accounting Principles for governments and have its financial statements audited by an independent certified public accountant (or appropriate State Agency)? **[Reg.22.1405 (f)(1)(ii)]**
☐	☐X	Is the local government currently in default on any outstanding general obligation bond? **[Reg.22.1405 (f)(1)(iii)(A)]**
☐	☐X	Does the local government have any outstanding general obligation bonds rated lower than Baa as issued by Moodys or BBB as issued by Standard and Poors? **[Reg.22.1405 (f)(1)(iii)(B)]**
☐	☐X	Has the local government operated at a deficit equal to five percent or more of total annual revenue in each of the past two fiscal years? **[Reg.22.1405 (f)(1)(iii)(C)]**
☐	☐	Has the local government received an adverse opinion, disclaimer of opinion, or other qualified opinion from the independent certified public accountant (or appropriate State agency) auditing its financial statement as required under paragraph Reg.22.1405(f)(1)(ii). **[Reg.22.1405(f)(1)(iii)(D)]** SEE EXPLANATUION IN LETTER

RECORDKEEPING AND REPORTING REQUIREMENTS

Facility Name: _____Permit No._____

The local government owner or operator must place the following documentation in the facility's operating record and furnish the information to the Director for approval:

YES	NO	Documentation
□X	□	**A letter signed by the local government's chief financial officer that:** □ Lists all the current costs estimates covered by a financial test, as described in Reg.22.1405 (f)(4). □ Provides evidence and certifies that the local government meets the conditions of the financial component, as described in Reg.22.1405 (f)(1)(ii), and Reg.22.1405 (f)(1)(iii); and □ Certifies that the local government meets the conditions of the public service component and calculation of costs to be assured, as described in Reg.22.1405 (f)(2), and Reg.22.1405 (f)(4). **[Reg.22.1405 (f)(3)(i)(A) (a)(b) and (c)]** ***An example letter containing requirements above is attached.***
□X	□	The local government's independently audited year-end financial statements for the latest fiscal year, including the unqualified opinion of the auditor who must be an independent, certified public accountant or an appropriate State agency that conducts equivalent comprehensive audits. **[Reg.22.1405 (f)(3)(i)(B)]**
□X	□	A report to the local government from the local government's independent certified public accountant or the appropriate State agency based on performing an agreed upon procedures engagement relative to the financial ratios required by Reg.22.1405 (f)(1)(i)(B), if applicable, and the requirements of Reg.22.1405 (f)(1)(ii) and Reg.22.1405 (f)(1)(iii)(C) and (D). The CPA or State agency's report should state the procedures performed and the CPA or State agency's findings. **[Reg.22.1405 (f)(3)(i)(C)]**
X	□	A copy of the comprehensive annual financial report (CAFR) used to comply with Reg.22.1405(f)(2) or certification that the requirements of General Accounting Standards Board Statement 18 have been met. **[Reg.22.1405 (f)(3)(i)(D)]**
□	□X	Has the local government operated at a deficit equal to five percent or more of total annual revenue in each of the past two fiscal years? **[Reg.22.1405 (f)(1)(iii)(C)]**
□X	□	Has the local government received an adverse opinion, disclaimer of opinion, or other qualified opinion from the independent certified public accountant (or appropriate State agency) auditing its financial statement as required under paragraph Reg.22.1405(f)(1)(ii). **[Reg.22.1405(f)(1)(iii)(D)]** SEE EXPLANATION IN LETTER
□X	□	Has the local government owner or operator updated the information and placed the updated information in the operating record within 180 days following the close of the local government's fiscal year? Date the updated information received by the Department? _____ **[Reg.22.1405 (f)(3)(iii)]**

PUBLIC NOTICE COMPONENT

□X	□	Has the local government placed a reference to the closure and post-closure care costs assured through the financial test into its next comprehensive annual financial report (CAFR). Disclosure must include the following: □ Nature and source of closure and post-closure care requirements; □ Reported liability at the balance sheet date; □ Estimated total closure and Post-closure care cost remaining to be recognized; □ Percentage of landfill capacity used to date; □ Estimated landfill life in years. □ Reference to corrective action costs, if applicable; ***(For closure and post-closure costs, conformance with Government Accounting Standards Board Statement 18 assures compliance with this public notice component)*** **[Reg.22.1405(f)(2)]**

Reviewed by: _____

Date: _____

Comments: _____

_____

Reg.22.1405 – Allowable Mechanisms
As provided in 40 CFR 258.74 the mechanisms used to demonstrate financial assurance under this Chapter must ensure that the funds necessary to meet the costs of closure, post-closure care, and corrective action for known releases will be available whenever they are needed. Owners and operators must choose from the options specified in paragraphs (a) through (j) of this section. Financial assurance required by this chapter should be filed on forms developed and provided by the department.

LETTER FROM CHIEF FINANCIAL OFFICER

Director
Arkansas Department of Energy and Environment, DEQ
5301 Northshore Drive
North Little Rock, Arkansas 72118-5317

I am the chief financial officer of {GARALAND COUNTY 501 OUACHITA AVE STE 210 HOT SPRINGS ARKANSAS}. This letter is in support of this government's use of the Local Government Financial Test to demonstrate financial assurance for closure and/or post-closure costs, as specified in Regulation 22, Chapter 14.

1. The {COUNTY OF GARLAND) is the owner or operator of the following facilities in Arkansas for which financial assurance for closure or post-closure care is demonstrated through the financial test specified in
Reg.22.1405 (f). The current closure and/or post-closure cost estimates covered by the test are shown for each facility.

   a. **Class 1**
   Name & Permit Number _____
   AFIN _____
   Physical Location _____
   Closure Cost Estimate _____
   Post-Closure Cost Estimate _____

   b. **Class 4**
   Name & Permit Number Cedar Glades Class 4 landfill 0330-S4

   AFIN AFIN -26-00405
   Physical Location 1040 Cedar Glades Road Hot Springs AR.71901
   Closure Cost Estimate $1,950,627.80
   Post-Closure Cost Estimate $175,587.75

   c. **Transfer Station**
   Name & Permit Number _____
   AFIN _____
   Physical Location _____
   Closure Cost Estimate _____

   d. **Compost Facility**
   Name & Permit Number _____
   AFIN _____
   Physical Location _____
   Closure Cost Estimate _____

   e. **Other Permitted Waste Facility**
   Name & Permit Number _____
   AFIN _____
   Physical Location _____
   Closure Cost Estimate _____
   Post-Closure Cost Estimate _____
   Type (Water, Air, Hazardous Waste, etc.) _____

2. The fiscal year of this local government ends on _____.

3. COUNTY OF GARLAND {city or county} has provided evidence (attached) and certifies that COUNTY OF GARLAND {city or county} meets the conditions of the Financial Component [Reg.22.1405 (f)(1)(i)].

PARAGRAPH A:

BOND RATING REQUIREMENT

Is the current bond rating of the owner or operator adequate?

Indicate the appropriate Bond Rating and the source:

□ **Standard and Poor's**	□ **Moody's**
□ AAA	□ Aaa
□ AA	□ Aa
□ A	□ A
□ BBB	□ Baa

PARAGRAPH B:

FINANCIAL RATIO ALTERNATIVE

Does the owner or operator satisfy each of the following financial ratios based on the owner or operator's most recent audited annual financial statements:

□ Cash + Marketable securities / Total Expenditures > or = 0.05 — $125,038.750 / $ 69,777,099 =179% YES

□ Annual Debt Service / Total Expenditures < 0.20 — $250. / $69,777,099 =0% YES

4. COUNTY OF GARLAND {city or county} has provided evidence (attached) and certifies that COUNTY OF GARLAND {city or county} has prepared its financial statements in conformity with Generally Accepted Accounting Principles for governments and has had these financial statements audited by an independent certified public accountant (or appropriate State agency). [Reg.22.1405 (f)(1)(ii)].

5. COUNTY OF GARLAND {city or county} has provided evidence (attached) and certifies that COUNTY OF GARLAND {city or county} meets the following conditions [Reg.22.1405(f)(1)(iii)]:

a. COUNTY OF GARLAND {city or county} is not currently in default on any outstanding general obligation bonds;

b. COUNTY OF GARLAND {city or county} does not have any outstanding general obligation bonds rated lower than Baa as issued by Moodys or BBB as issued by Standard and Poors;

c. COUNTY OF GARLAND {city or county} has not operated at a deficit equal to five percent (5%) or more of total annual revenue in each of the past two years;

d. COUNTY OF GARLAND {city or county} has not received an adverse opinion,

disclaimer of opinion, or other qualified opinion from the independent certified public accountant (or appropriate State agency) auditing its financial statement as required under Paragraph Reg.22.1405(f)(1)(ii).

6. COUNTY OF GARLAND {city or county} has provided evidence (attached) and certifies that COUNTY OF GARLAND {city or county} meets the conditions [Reg.22.1405(f)(2)].

7. COUNTY OF GARLAND {city or county} has provided evidence (attached) and certifies that COUNTY OF GARLAND {city or county} meets the following conditions Reg.22.1405(f)(4):

a. If COUNTY OF GARLAND {city or county} does not assure other environmental obligations through a financial test, it may assure closure, post-closure care, and corrective action costs that equal up to 43 percent of the local government's total annual revenue.

b. If COUNTY OF GARLAND {city or county} assures other environmental obligations through a financial test, including those associated with UIC facilities under 40 CFR Part 280, PCB storage facilities under 40 CFR Part 761, and hazardous waste treatment, storage, and disposal facilities under 40 CFR Parts 264 and 265, it must add those costs to the closure, post-closure care, and corrective action costs it seeks to assure under this paragraph. The total that may be assured must not exceed 43 percent of the local government's total annual revenue.

c. For those costs that exceed the limits set in Reg.22.1405 (f)(4)(i) and (ii), COUNTY OF GARLAND {city or county} certifies that they have obtained an alternate financial assurance mechanism.

For any and all disputes arising out of, in connection with, or relating to this Local Government Financial Test, the Owner and Operator and DEQ expressly agree and consent that the exclusive jurisdiction and venue for any proceeding shall be in Pulaski County Circuit Court for the State of Arkansas in Little Rock, Arkansas, and the Owner or Operator and DEQ waive any argument that the venue in such a forum is not convenient and any rights under any Federal or State law establishing jurisdiction or venue in another forum.

I hereby certify that the wording of this letter is in compliance with wording specified in APC&EC Regulation 22.1405 (f)(3)(i)(A)(a) and (b), as such regulations were constituted on the date shown immediately below.

[Signature]
[Name]
[Title]
[Date]

Signature _____

Name Darryl Mahoney

Title County Judge

Date 02/12/26

LANDFILL POST CLOSURE CARE - ANNUAL COST ESTIMATE WORKSHEET CEDAR GLADES CLASS 4 (2025 Dollars) - CT Project

OWNER: GARLAND COUNTY	PERMIT NO. 0300-S4		AFIN: 26-00405	
OPERATOR: GARLAND COUNTY	ESTIMATOR: F. Owen Carpenter (Ark. Licensed P.E. #: 8653)			Date 2/11/2026
TOTAL PERMITTED WASTE DISPOSAL ACRES: 61				
TOTAL PERMITTED ACRES CERTIFIED CLOSED: 0				

LANDFILL POST CLOSURE CARE - ANNUAL COST ESTIMATE WORKSHEET Permit: 0300-S4 AFIN: 26-00405

ITEM No.	ITEM	QUANTITY	UNITS	UNIT COST	COST	SUBTOTALS	SOURCE OF UNIT COST INFO
1.0.0	**PROFESSIONAL SERVICES**						
1.1.0	Engineering (Annual inspection and reporting, corrective action design and bid, contract management)	1	Lump Sum	$ 4,500.00	$ 4,500.00		Crafton Tull Standard Fee Schedule
1.2.0	Topographic and Boundary Survey (annual, final, and corrective action, if required)	1	Lump Sum	$ 3,500.00	$ 3,500.00		Crafton Tull Standard Fee Schedule
1.3.0	Corrective Action Engineering Services (Construction Oversight, Testing, Reporting, Certification)	1	Lump Sum	$ 7,000.00	$ 7,000.00		Crafton Tull Standard Fee Schedule
	Professional Services Annual Subtotal					$ 15,000.00	
2.0.0	**FINAL COVER ROUTINE MAINTENANCE**						
2.2.0	Mowing/Trimming (2 times per year)	61	ACRE	$425.00	$25,925.00		LOCAL BID DOCUMENTS FOR SIMILAR WORK
	Final Cover Routine Maintenance Annual Subtotal					$25,925.00	
3.0.0	**FINAL COVER REPAIRS (4 MAN CREW 3 DAYS/YEAR)**						
3.1.0	(2) Laborers	3	day	$1,050.00	$3,150.00		LOCAL BID DOCUMENTS FOR SIMILAR WORK
3.2.0	Soil Import Cover Repair	625	CY	$15.75	$9,843.75		
3.3.0	Dozer (200 HP)	3	day	$1,910.00	$5,730.00		LOCAL BID DOCUMENTS FOR SIMILAR WORK
3.4.0	Dump Truck (12 yard)	3	day	$1,290.00	$3,870.00		LOCAL BID DOCUMENTS FOR SIMILAR WORK
	Final Cover Repairs Annual Subtotal					$22,593.75	
4.0.0	**SURFACE WATER MANAGEMENT OPERATION AND MAINTENANCE (O&M)**						
4.1.0	Collection system operation and maintenance (ditches, piping conveyances, outfalls, sampling points repair/replace)	1	ANNUAL	$ 2,215.00	$ 2,215.00		LOCAL BID DOCUMENTS FOR SIMILAR WORK
4.2.0	Stormwater storage (sediment pond) operation/repairs	1	ANNUAL	$ 1,800.00	$ 1,800.00		LOCAL BID DOCUMENTS FOR SIMILAR WORK
	Surface Water Management O&M Annual Subtotal					$ 4,015.00	
	Total Post Closure Care Annual Cost Subtotal					$ 67,533.75	
5.0.0	**MISCELLANEOUS**						
5.1.0	10% Administration (Total Closure Cost Subtotal x 10%)				$ 6,753.38		LOCAL BID DOCUMENTS FOR SIMILAR WORK
5.2.0	10% Contigency (Total Closure Cost Subtotal x 20%)				$ 13,506.75		LOCAL BID DOCUMENTS FOR SIMILAR WORK
	Misc. Subtotal					$ 20,260.13	
	TOTAL ESTIMATED ANNUAL POST CLOSURE CARE COST					$ 87,793.88	
ESTIMATED 2 YEAR POST CLOSURE CARE PERIOD			2 x "Total Estimated Annual Post Closure Care Cost".			$ 175,587.75	

LANDFILL CLOSURE - COST ESTIMATE WORKSHEET CEDAR GLADES CLASS 4 (2025 Dollars) - CT Project 2852-1019

OWNER: GARLAND COUNTY	PERMIT No.: 0300-S4			AFIN No.: 26-00405
OPERATOR: GARLAND COUNTY	ESTIMATOR: F. Owen Carpenter (Ark. Licensed P.E. # 8653)			Date 2/11/2026
TOTAL PERMITTED WASTE DISPOSAL ACRES: 61				
TOTAL PERMITTED ACRES CERTIFIED CLOSED: 0	ACRES CURRENTLY OPEN: 27 Acres (i.e., "open" means areas subject to regulation and have not been certified closed)			
LARGEST ACREAGE EVER REQURING FINAL COVER OVER ACTIVE LANDFILL LIFE: 27 Acres (i.e., largest acreage ever open at any one time; NOTE: if approved Closure Plan does not include phased closure then largest area is the total permitted disposal acres)				

LANDFILL CLOSURE COST ESTIMATE WORKSHEET — Permit: 0300-S4 — AFIN: 26-00405

ITEM No.	ITEM	QUANTITY	UNITS	UNIT COST	COST	SUBTOTALS	SOURCE OF UNIT COST INFO
1.0.0	**PROFESSIONAL SERVICES**						
1.1.0	Engineering (Design, Bid Documents, Procurement, Construction Contract Mangement)	1	Lump Sum	$ 30,000.00	$ 30,000.00		CRAFTON TULL, STANDARD FEE SCHEDULE
1.2.0	Topographic and Boundary Survey	1	Lump Sum	$ 5,000.00	$ 5,000.00		CRAFTON TULL, STANDARD FEE SCHEDULE
1.3.0	Engineering Services (Construction Oversight, Testing, Reporting, Certification)	1	Lump Sum	$ 189,000.00	$ 189,000.00		CRAFTON TULL ESTIMATE
	Professional Services Subtotal					$ 224,000.00	
2.0.0	**FINAL COVER**						
2.1.0	**Low Permeability Soil Layer**						
2.1.1	Preparation of landfill to receive cover (final grading)	27.0	ACRE	$ 775.00	$ 20,925.00		LOCAL BID DOCUMENTS FOR SIMILAR WORK
2.1.2	Clay, On-Site (excavate, transport, place, compact) (Quantity must match earthwork balance and must be garanteed for future availability)	-	CU. YD.	$7.50	$ -		
2.1.3	Clay, Off-site (excavate, transport, place, compact) (Quantity must match earthwork balance)	65,340	CU. YD.	$15.75	$ 1,029,105.00		LOCAL BID DOCUMENTS FOR SIMILAR WORK
	Low Permeability Soil Layer Subtotal					$ 1,050,030.00	
2.3.0	**Protective Soil and Vegetative Layer**						
2.3.1	Vegetative Soil (Topsoil), On-site (excavate, transport, place) (Quantity must match earthwork balance and must be garanteed for future availability)	-	CU. YD.	$5.15	$ -		LOCAL BID DOCUMENTS FOR SIMILAR WORK
2.3.2	Vegetative Soil (Topsoil), Off-site (excavate, transport, place) (Quantity must match earthwork balance)	21,780	CU. YD.	$20.60	$ 448,668.00		LOCAL BID DOCUMENTS FOR SIMILAR WORK
2.3.3	Seeding, mulching, and fertilizing	27.0	ACRE	$1,050.00	$ 28,350.00		LOCAL BID DOCUMENTS FOR SIMILAR WORK
	Protective Soil and Vegetative Layer Subtotal					$ 477,018.00	
3.0.0	**EROSION CONTROL**						
3.1.0	Silt Fence, check dams, rip-rap, grass ditching, letdown structures	1	Lump Sum	$20,600.00	$ 20,600.00		LOCAL BID DOCUMENTS FOR SIMILAR WORK
	Erosion Control Subtotal					$ 20,600.00	
4.0.0	**DEMOLITION/REMOVAL SITE IMPROVEMENTS**						
4.1.0	Office/shop/maintenace and other ancillary buildings	1	Lump Sum	$ 825.00	$ 825.00		LOCAL BID DOCUMENTS FOR SIMILAR WORK
4.2.0	Equipment to be decommisioned (e.g., weigh scales, bulking/solidification pits, collection pits/sumps, piping, etc...)	1	Lump Sum	$ 310.00	$ 310.00		LOCAL BID DOCUMENTS FOR SIMILAR WORK
4.3.0	Site Utilities	1	Lump Sum	$ 515.00	$ 515.00		LOCAL BID DOCUMENTS FOR SIMILAR WORK
	Demolition/Removal Site Improvements Subtotal					$ 1,650.00	
				Total Closure Cost Subtotal		$ 1,773,298.00	
5.0.0	**MISCELLANEOUS**						
5.1.0	10% Administration and Contingency (Total Closure Cost Subtotal x 10%)				$ 177,329.80		LOCAL BID DOCUMENTS FOR SIMILAR WORK
	Misc. Subtotal					$ 177,329.80	
				TOTAL CURRENT CLOSURE COST		$ 1,950,627.80	