

2014 RES-404

AUTHORIZING A LETTER OF CREDIT
WITH U.S. BANK TO DEMONSTRATE FISCAL
RESPONSIBILITY FOR LANDFILL CLOSURE COST

Under landfill permitting regulations governing the landfill expansion, the county must demonstrate that it has the fiscal resources to close the landfill. The closure costs, as currently estimated by the Department of Natural Resources, total \$9,029,768. This is an estimate based on the costs to immediately close the landfill as if the county ceased operations and the DNR was forced to intervene and close the facility. The actual costs for the county to close the facility as it consumes the capacity at the landfill is far lower than this figure.

State regulations allow for several methods to demonstrate that the county has the fiscal resources for closure costs. These include posting a surety bond, placing cash and securities with the DNR, establishing an escrow account with a trustee for the benefit of the DNR, and securing a standby letter of credit for the benefit of the DNR.

At this time, the most advantageous method for the county will be to secure a letter of credit.

The county issued RFB #114116 to obtain pricing for such a letter of credit. The sole respondent to the RFB was U.S. Bank. The fee for the letter of credit will be 0.75% per year.

THEREFORE BE IT RESOLVED THAT the County Board of Supervisors authorize a letter of credit for landfill closure costs with U.S. Bank pursuant to RFB #114116 and

BE IT FINALLY RESOLVED THAT County Executive and County Clerk are authorized to execute the necessary documents related to the letter of credit.