

From: [Phil Chandler](#)
To: [Singh, Mike@DTSC](mailto:Singh.Mike@DTSC)
Cc: [Rohlfes, Larry@DTSC](mailto:Rohlfes.Larry@DTSC)
Subject: Fw: ANNUAL INFLATION ADJUSTMENT
Date: Tuesday, October 11, 2016 12:56:19 PM

fyi

-----Forwarded Message-----

>From: Phil Chandler <philipbchandler@earthlink.net>

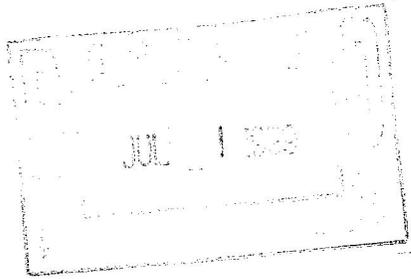
>Sent: Oct 11, 2016 12:55 PM

>To: dtscpublicmeeting@dtsc.ca.gov

>Subject: ANNUAL INFLATION ADJUSTMENT

>

>Attached is a letter BKK, a hazardous waste landfill that handed its keys to DTSC some years ago. For nearly 17 year they alleged that there was no inflation as in the attached letter. I would like an explanation as to how this was allowed and how pervasive such tricks were on the part of facilities who were required to do such adjustments. Has DTSC caught up to these other facilities in subsequent cost estimates or are there cost estimates and FR that are still underfunded through such tricks? Further, I should like to see DTSC do an estimate as to how much FR it left on the table before BKK bailed out---a litte late but catharsis perhaps Phil



4

2210 South Azusa Avenue
West Covina, California 91792
(626) 965-0911
Fax (626) 965-9569

June 30, 1999

Via Certified Mail Z 419 350 727

Jamshid G. Shahi, Ph.D.
Associate Hazardous Materials Specialist
DEPARTMENT OF TOXIC SUBSTANCES CONTROL
Southern California Region
1011 North Grandview Avenue
Glendale, CA 91201

Re: 1999 Annual Adjustment of Closure and Postclosure Cost Estimates
BKK Closed Class I Landfill and Operational Leachate Treatment Plant
USEPA ID No. CAD067786749

Dear Dr. Shahi:

BKK Corporation is herein providing the Department with an annual adjustment to the following two cost estimates:

- ▶ the postclosure cost estimate for the closed Class I landfill, adjusted pursuant to 22 CCR 66265.144(b); and
- ▶ the closure cost estimate for the operational leachate treatment plant (LTP), adjusted pursuant to 22 CCR 66264.142(b).

As you know, no closure cost estimate is provided for the landfill because it was already closed long ago, and no postclosure cost estimate is provided for the LTP because it will be "clean closed" with no waste remaining after closure.

Today's annual adjustment is provided within one year of the most recent previous adjustment which was submitted in my June 30, 1998 letter to you.

As provided in regulation, rather than blindly applying an inflation factor to last year's numbers, for 1999 we are recalculating the estimated costs to perform the work in current dollars. Current market conditions in southern California include: (a) continuing price competition in the local landfill and remediation field, resulting in stable or downward pressure on prices; (b) continuing attrition in the local landfill and remediation field, resulting in increased labor availability at attractive rates; and (c) an overall very low inflation rate. These factors, coupled with further reassurance on the continuing validity of the cost estimate gained through performing yet another year of postclosure care on the closed landfill, combine to support our assessment that last year's estimates remain wholly appropriate and require no upward adjustment for this year. The 1998 cost estimates

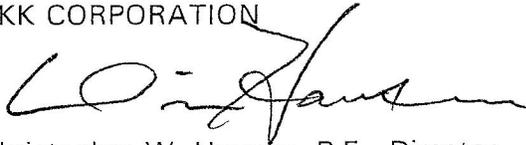
June 30, 1999
Jamshid G. Shahi, Ph.D.
Page Two of Two

remain valid today. For reference purposes, those estimates are presented below:

- ▷ Continue to perform postclosure care on the closed Class I landfill for the remaining 20 years¹ of the 30-year postclosure period: \$26,899,193;² and
- ▷ Perform closure construction on the LTP: \$160,680.

We will reevaluate these costs again next year and adjust them then as necessary. If you have any questions or need further information, please call me at 626/965-0911x361.

Sincerely,
BKK CORPORATION



Christopher W. Hansen, P.E., Director
Engineering and Environmental Programs

¹ The remaining 20 years of the 30-year postclosure period are comprised of Year 11 (ending May 31, 2000) through Year 30 (ending May 31, 2019).

² This figure reflects the \$30,145,851 grand total balance for the 22 years of Year 9 through Year 30 presented in Section 3.7.2.2 of the *Permit Application for Operation of the Leachate Treatment Plant and Post-Closure Care of the Class I Landfill at BKK Landfill, West Covina, California* (BKK Corporation, Revised June 30, 1997), minus the \$1,707,603 and \$1,539,055 grand totals from that same document for Years 9 and 10 since that work has been completed:

$$\$30,145,851 - [\$1,707,603 + \$1,539,055] = \$26,899,193.$$