



Individual Aquifer Protection Permit Cost Estimate Inflation Factor Review Checklist

Permittee:		Inventory No.:	
Reviewer:		LTF:	
Today's Date		Checked By	

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 Water Permits Section 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 Maribeth Greenslade (mg3@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 Water Permits Section 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 2008 that we want to update in 2016. The facility has not changed its closure strategy or facility list.

1. Cost Estimate = \$100,000.00
2. Year issued = 2008
3. Facility verified they have NOT changed closure plan/strategy or discharging facility list
4. The Inflation Factor = $IF_{2008} \times IF_{2009} \times IF_{2010} \times IF_{2011} \times IF_{2012} \times IF_{2013} \times IF_{2014} \times IF_{2015}$
 Inflation Factor = $1.01961 \times 1.00760 \times 1.01221 \times 1.02065 \times 1.01796 \times 1.01490 \times 1.01830 \times 1.01002$
 Inflation Factor = 1.12778
5. Updated Cost = Inflation Factor x Cost Estimate
 Updated Cost = $1. \times \$100,000.00 = \$112,278.00$



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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
1986	1.02018	1996	1.01825	2006	1.03072
1987	1.02552	1997	1.01712	2007	1.02661
1988	1.03502	1998	1.01086	2008	1.01961
1989	1.03888	1999	1.01529	2009	1.00760
1990	1.03698	2000	1.02276	2010	1.01221
1991	1.03329	2001	1.02280	2011	1.02065
1992	1.02280	2002	1.01534	2012	1.01796
1993	1.02379	2003	1.01994	2013	1.01490
1994	1.02127	2004	1.02750	2014	1.01830
1995	1.02086	2005	1.03218	2015	1.01002

Source: U.S. Dept of Commerce, Bureau of Economic Analysis (www.bea.gov), (based on annual implicit price deflators for gross domestic product last revised on 3/31/16).

Notes:

1. For updates done in 2016, use Inflation Factors from the year the permit was issued through 2015.
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 Water Permits Section will use the same method to calculate Inflation Factors for APP cost estimate updates.