



Received 8/6/2024

Heidelberg Materials

Heidelberg Materials US Cement LLC

Logansport Plant
3084 W. CR 225 S.
Logansport, IN 46947
Phone (574) 753-5121
Fax (574) 722-2168
heidelbergmaterials.us

August 5, 2024

Glynda Oakes
IDEM Office of Land Quality/Permitting Branch
100 North Senate Avenue, IGCN 1101
Indianapolis, IN 46204-2251

Re: Financial Assurance Annual Update
Heidelberg Materials US Cement, LLC
Logansport, Cass County
Permit No 09-03

Via: Email on 8/5/24
Email: Ruth Jean & Glynda Oakes

Dear Ms. Oakes:

Heidelberg Materials US Cement, LLC (Heidelberg) is submitting the attached Surety Bond rider for the post closure care of Heidelberg's certified closed CKD Piles 1 and 2. The updated post closure cost for Piles 1 and 2 covered by FP 09-03 is adjusted from \$662,796 to \$699,732. Surety Bond No. 61[REDACTED] (Originally SU51423) for this adjusted amount is included.

Please contact me by phone at (574) 739-6132 or by email at craig.kline@heidelbergmaterials.com if you have any questions.

Kind regards,

Craig Kline
Environmental Manager

SURETY RIDER

To be attached to and form a part of

Bond No. 6 [REDACTED]

dated July 1, 2018
effective (MONTH-DAY-YEAR)

executed by Heidelberg Materials US Cement LLC, as Principal,
(PRINCIPAL)

and by United States Fire Insurance Company, as Surety,

in favor of Indiana Department of Environmental Management
(OBLIGEE)

in consideration of the mutual agreements herein contained the Principal and the Surety hereby consent to changing

The Bond Amount from:

Six Hundred Sixty-two Thousand Seven Hundred Ninety-six & 00/100 Dollars (\$662,796.00)

To:

Six Hundred Ninety-nine Thousand Seven Hundred Thirty-two & 00/100 Dollars (\$699,732.00)

Nothing herein contained shall vary, alter or extend any provision or condition of this bond except as herein expressly stated.

This rider is effective June 15, 2024
(MONTH-DAY-YEAR)

Signed and Sealed July 26, 2024
(MONTH-DAY-YEAR)

Heidelberg Materials US Cement LLC
(PRINCIPAL)

By: [REDACTED]
(PRINCIPAL) *Elwan Yusuf, Assistant Secretary*

United States Fire Insurance Company
(SURETY)

By: [REDACTED]
AnnMarie Keane, Attorney-in-Fact

**POWER OF ATTORNEY
UNITED STATES FIRE INSURANCE COMPANY
PRINCIPAL OFFICE - MORRISTOWN, NEW JERSEY**

KNOW ALL MEN BY THESE PRESENTS: That United States Fire Insurance Company, a corporation duly organized and existing under the laws of the state of Delaware, has made, constituted and appointed, and does hereby make, constitute and appoint: **April D. Perez; Francesca Papa; Annette Audinot; Megan J. Schlueter; Kimberly Leonard; AnnMarie Keane; Jessica Iannotta, Kelly O'Malley, Kristin S. Bender of Morristown, NJ**

each, its true and lawful Attorney(s)-In-Fact, with full power and authority hereby conferred in its name, place and stead, to execute, acknowledge and deliver: Any and all bonds and undertakings of surety and other documents that the ordinary course of surety business may require, and to bind United States Fire Insurance Company thereby as fully and to the same extent as if such bonds or undertakings had been duly executed and acknowledged by the regularly elected officers of United States Fire Insurance Company at its principal office, in amounts or penalties: **One Hundred Twenty Five Million Eight Hundred Thousand Dollars (\$125,800,000)**

This Power of Attorney limits the act of those named therein to the bonds and undertakings specifically named therein, and they have no authority to bind United States Fire Insurance Company except in the manner and to the extent therein stated.

This Power of Attorney revokes all previous Powers of Attorney issued on behalf of the Attorneys-In-Fact named above.

This Power of Attorney is granted pursuant to Article IV of the By-Laws of United States Fire Insurance Company as now in full force and effect, and consistent with Article III thereof, which Articles provide, in pertinent part:

Article IV, Execution of Instruments - Except as the Board of Directors may authorize by resolution, the Chairman of the Board, President, any Vice-President, any Assistant Vice President, the Secretary, or any Assistant Secretary shall have power on behalf of the Corporation:

- (a) to execute, affix the corporate seal manually or by facsimile to, acknowledge, verify and deliver any contracts, obligations, instruments and documents whatsoever in connection with its business including, without limiting the foregoing, any bonds, guarantees, undertakings, recognizances, powers of attorney or revocations of any powers of attorney, stipulations, policies of insurance, deeds, leases, mortgages, releases, satisfactions and agency agreements;
- (b) to appoint, in writing, one or more persons for any or all of the purposes mentioned in the preceding paragraph (a), including affixing the seal of the Corporation.

Article III, Officers, Section 3.11, Facsimile Signatures. The signature of any officer authorized by the Corporation to sign any bonds, guarantees, undertakings, recognizances, stipulations, powers of attorney or revocations of any powers of attorney and policies of insurance issued by the Corporation may be printed, facsimile, lithographed or otherwise produced. In addition, if and as authorized by the Board of Directors, dividend warrants or checks, or other numerous instruments similar to one another in form, may be signed by the facsimile signature or signatures, lithographed or otherwise produced, of such officer or officers of the Corporation as from time to time may be authorized to sign such instruments on behalf of the Corporation. The Corporation may continue to use for the purposes herein stated the facsimile signature of any person or persons who shall have been such officer or officers of the Corporation, notwithstanding the fact that he may have ceased to be such at the time when such instruments shall be issued.

IN WITNESS WHEREOF, United States Fire Insurance Company has caused these presents to be signed and attested by its appropriate officer and its corporate seal hereunto affixed this 28th day of September, 2021.

UNITED STATES FIRE INSURANCE COMPANY



Matthew E. Lubin, President

State of New Jersey }
County of Morris }

On this 28th day of September, 2021, before me, a Notary public of the State of New Jersey, came the above named officer of United States Fire Insurance Company, to me personally known to be the individual and officer described herein, and acknowledged that he executed the foregoing instrument and affixed the seal of United States Fire Insurance Company thereto by the authority of his office.

MELISSA H. D'ALESSIO
NOTARY PUBLIC OF NEW JERSEY
Commission # 80125833
My Commission Expires 4/7/2025

Melissa H. D'Alessio (Notary Public)

I, the undersigned officer of United States Fire Insurance Company, a Delaware corporation, do hereby certify that the original Power of Attorney of which the foregoing is a full, true and correct copy is still in force and effect and has not been revoked.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the corporate seal of United States Fire Insurance Company on the ^{26th} day of July 20 24

UNITED STATES FIRE INSURANCE COMPANY



Michael C. Fay, Senior Vice President

*For verification of the authenticity of the Power of Attorney, please email: SuretyInquiries@amyntagroup.com

FP 09-03 (Closed CKD Piles 1 & 2)
2024 INFLATION CALCULATION

Date of Plan Approvals

2010

Annual Implicit Price Deflator for Gross Domestic Product (Published 2010-01-01)

89.632

Annual Implicit Price Deflator for GDP (Updated May 30, 2024)

122.273

Inflation Calculation per 329 IAC 10-39-2

1.364

2024 POST-CLOSURE COST ESTIMATE

CKD PILES 1 & 2
Lehigh Cement Company LLC. – Logansport, IN

ITEM	QTY	UNIT	UNIT COST	COST
Groundwater Monitoring	2	per year	\$5,464	\$10,928
Cover Inspection	2	per year	\$1,500	\$3,000
Groundwater Reporting	2	per year	\$4,284	\$8,568
Final Cover Maintenance and Vegetation	1	per year	\$4,004	\$4,004
Groundwater Maintenance	1	per year	\$500	\$500
Post Closure Subtotal/yr (2010)				\$27,000
Remaining Post Closure Period Multiplier	19	years		\$513,000
<u>Effective Inflation Adjustment Factor (122.273/89.632)</u>				1.364
Closure Grand Total				\$699,732

OAKES, GLYNDA

From: OAKES, GLYNDA
Sent: Tuesday, August 6, 2024 9:06 AM
To: Kline, Craig (Logansport) USA; JEAN, RUTH
Subject: RE: Heidelberg Material - HW and SW financial assurance submittals

Thank you for the resubmittal, we'll be in touch if additional information is needed.



Glynda Oakes
IDEM, OLQ, Hazardous Waste Permit
100 N. Senate Ave, Rm 1101, Indianapolis, IN 46204
(317) 233-1052 goakes@idem.in.gov



www.idem.IN.gov

Scan the QR code to leave your feedback.

We appreciate your input!



From: Kline, Craig (Logansport) USA <craig.kline@heidelbergmaterials.com>
Sent: Monday, August 5, 2024 3:50 PM
To: JEAN, RUTH <RJEAN@idem.IN.gov>
Cc: OAKES, GLYNDA <GOAKES@idem.IN.gov>
Subject: RE: Heidelberg Material - HW and SW financial assurance submittals

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Ruth/Glynda,

Please find the attached and corrected bond riders for Heidelberg in Logansport.

Let me know if you have any questions.

Thanks,

Craig Kline

Environmental Mgr. - Logansport

HM Midwest Region

T 574-739-6132

M 765-490-3892

craig.kline@heidelbergmaterials.com



3084 W. County Road 225 S
Logansport, IN 46947
heidelbergmaterials.us

From: JEAN, RUTH <RJEAN@idem.IN.gov>
Sent: Friday, July 19, 2024 9:16 AM
To: Kline, Craig (Logansport) USA <craig.kline@heidelbergmaterials.com>
Cc: OAKES, GLYNDA <GOAKES@idem.IN.gov>
Subject: RE: Heidelberg Material - HW and SW financial assurance submittals

Craig,

Thank you for the quick reply.

Regarding FP 09-03, while the total has declined, it will result in an increase to the June 6, 2024 surety bond rider, so the surety bond provider will not need to request our approval. In the future, as I expect this one to continue to decrease since it's in post-closure care, you will need the surety to request our approval. Typically, the approval is reflected by an IDEM authorized signature line on the bond rider, but the surety can decide how they would like to obtain our approval. Please note that our policy is that you must maintain financial assurance for at least a 10-year cost estimate. In other words, when the remaining post-closure falls below 10 years, you will need to keep calculating a 10-year cost estimate and provide financial assurance for that amount.

Regarding FP 09-04, you recalculated inflation based only on one year. You need to start with the 2020 IPD since you are using the 2019 approved cost estimate as the starting point. That should give you an inflation factor of 1.16. The results based on this inflation factor, \$2,840,523 for closure and \$2,115,540 for post-closure, are greater than your June submittal.

Let me know if you have any questions.

Thanks,

Ruth

Ruth A. Jean
Senior Environmental Manager
Indiana Department of Environmental Management
Permits Branch • Office of Land Quality
• (317) 232-3398 • rjean@idem.IN.gov

From: Kline, Craig (Logansport) USA <craig.kline@heidelbergmaterials.com>
Sent: Wednesday, July 17, 2024 2:36 PM
To: JEAN, RUTH <RJEAN@idem.IN.gov>
Cc: OAKES, GLYNDA <GOAKES@idem.IN.gov>
Subject: RE: Heidelberg Material - HW and SW financial assurance submittals

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Ruth,

Thanks for the clarification on the bond riders.

I have attached the revised calculation sheets and also provided some comments below.

Please let me know if you see any problems or have additional questions with the current calculations.

If all looks good, I will get the revised amounts sent in.

Thanks,

Craig Kline
Environmental Mgr. - Logansport
HM Midwest Region

T 574-739-6132

M 765-490-3892

craig.kline@heidelbergmaterials.com



3084 W. County Road 225 S
Logansport, IN 46947
heidelbergmaterials.us

From: JEAN, RUTH <RJEAN@idem.IN.gov>
Sent: Monday, July 15, 2024 2:02 PM
To: Kline, Craig (Logansport) USA <craig.kline@heidelbergmaterials.com>
Cc: OAKES, GLYNDA <GOAKES@idem.IN.gov>
Subject: Heidelberg Material - HW and SW financial assurance submittals

Hi Craig,

I'm reviewing your financial assurance submittal for Heidelberg Materials hazardous waste site (IND005081542) and the solid waste sites 09-03 and 09-04. I expect to see an inflation factor of around 1.036 (or 3.6%) for last year, yet your calculations seem to be far short of that. In fact, your amounts suggest we have had deflation.

While I've been somewhat puzzled by where you have gotten your inflation numbers in previous years, your overall cost estimates had been adequately reflective of the required inflation adjustment. In fact, your estimates last year exceeded the required amount. Since your inflation adjustment is way off this year and reflects deflation, I will take this opportunity to point out the specific rule requirement explaining how the inflation factor must be calculated.

Both the hazardous waste and solid waste financial assurance rules (329 IAC 3.1-15-3(b) and 329 IAC 10-39-2(c)(2)) requires the inflation factor be derived from the most recent implicit price deflator (IPD) for gross national product (GNP) published by the U.S. Department of Commerce in its Survey of Current Business. We allow the use of GDP so long as it is consistently used from year-to-year. The Bureau of Economic Analysis (BEA) publishes IPDs for GDP and GNP in [NIPA table 1.1.9](#). The inflation factor is the result of dividing the latest published **annual** deflator by the deflator for the previous year. Of course, it is acceptable to calculate the inflation factor over several years as you have done, provided you utilize the IPDs in [Table 1.1.9](#). The attached checklist also contains inflation factor calculation instructions.

Looking at the hazardous waste submittal first, based on your table, the cost estimate in 2009 dollars is \$3,443,430. The inflation factor from 2009 – 2023 is 1.38, providing an adjusted estimate of \$4,751,933. For clarity, this amount does not reflect an annual adjustment of 1.036 from last year's submittal because last year's submittal overestimated the required inflation amount. **Adjusted this rider to match the \$4,751,933 amount.**

Re: FP 09-03. Last year you calculated 1.361 based on IPDs from 2010 - 2022. This year you have calculated 1.292 for 2010-2023, indicating deflation. Utilizing [Table 1.1.9](#), the correct inflation factor is 1.364 covering the period from 2010 – 2023. **In using the correct inflation factor, this total still declines. Is this acceptable?**

Re: FP 09-04. Last year you calculated 1.165. This year you calculated 1.106. Please revise your current calculation utilizing [Table 1.1.9](#). **In using the table, I calculated 1.036 for this year. The amount goes up from last year. Closure (2023-\$2,448,727) to (2024-\$2,536,881) Post closure (2023-\$1,823,742) to (2024-\$1,889,397) but this amount is less than I have already sent for 2024. Will it be a problem to decrease this amount from what was submitted in June? Previously submitted – Closure (\$2,708,292) – Post closure (\$2,017,058)**

Finally, pursuant to the surety bond agreements, the penal sum of the bond may not be decreased without the written permission of the IDEM commissioner. Please remind the surety bond company (United States Fire Insurance Company) of this stipulation in each of the bond agreements and provide documentation that they have been notified within 45 days, or I will reach out to the Surety myself.

Please provide the required cost estimate corrections within 15 days and provide updated surety bond riders within 45 days.

Please let me know if you have any questions.

Thanks,

Ruth



Ruth A Jean
Senior Environmental Manager
Permits Branch • Office of Land Quality

• (317) 232-3398 • rjean@idem.IN.gov



• www.idem.IN.gov