



ANNUAL COMPARISON

5 August 2022

The Nevada Division of Environmental Protection, Bureau of Mining Regulation and Reclamation (BMRR) and Bureau of Land Management cooperatively update the Standardized Reclamation Cost Estimator (SRCE) cost data file by August 1st each year. Since 2007, BMRR has used a reference Reclamation Cost Estimate (RCE) to compare the current cost data file against previous years (excluding Mob/Demob and Process Fluids Cost Estimator tools). Here are the results over the last five years:

Annual Comparison	Percent
2022 - 2017	26.99%
2022 - 2018	20.06%
2022 - 2019	12.53%
2022 - 2020	12.77%
2022 - 2021	14.94%

The 2022 cost data file reflected an overall increase of nearly 15% from 2021, primarily attributable to the following items:

- 48.67% increase in materials costs
- 18.88% increase in equipment costs
- 4.04% increase in labor costs

Material unit costs nearly all increased in 2022. The increase of nearly 49% in the reference RCE is attributable to the cost of 60 mil HDPE liner. The liner cost in RS Means increased by 150% from 2021 to 2022. Other notable increases include fencing materials (58%) and slotted drain pipe (79%).

Equipment rental rates increased across the board by an average of 13.8% in 2022. The "Equipment" category also includes fuel, tires, and other maintenance items. Fuel prices increased by 58.7% (from \$2.13 per gallon to \$3.38 per gallon), tire prices increased by an average of 19%, and maintenance and equipment wear increased by an average of 23% from 2021 to 2022. The overall result was an increase of 18.88% for equipment-related costs.

The U.S. Department of Labor updates the Davis-Bacon wage determinations on 2- to 4-year intervals, and most job classifications remained unchanged in 2022. The classifications for all equipment operators stayed the same, while general laborers in Elko County increased by approximately 4% and laborers in Clark County increased by approximately 10%.

Empirical observations have shown that reclamation costs are closely correlated to the price of fuel. The cost data file uses an annualized average price from June of 2021 through May of 2022. The attached graph shows the recent spike in fuel prices and a similar spike in overall reclamation costs. Of note, the average annual price of \$3.38 per gallon is lower than current actual fuel costs.

