



STATE OF TENNESSEE  
**DEPARTMENT OF ENVIRONMENT AND CONSERVATION**  
Division of Financial Responsibility & Business Process Improvement  
William R. Snodgrass Tennessee Tower  
312 Rosa L. Parks Ave., 10<sup>th</sup> Floor  
Nashville, TN 37243  
(615) 532-0851

August 09, 2017

The Honorable James Mayberry  
City of Crossville Mayor  
392 North Main Street  
Crossville, Tennessee 38555

RE: 2017 Annual Inflation Adjustment of the financial assurance for the *City of Crossville Sanitary Landfill, Permit No. SNL180000206* as required by the Regulations of the Division of Solid Waste Management

Dear Mayor Mayberry:

**All county and municipal "Contracts in Lieu of Performance Bonds" must be adjusted annually for inflation by no later than the anniversary date of the issuance of the contract.**

Rule Chapters 0400-12-01-.06(8) and 0400-11-01-.03(3) state that the inflation adjustment may be made by recalculating the closure and/or post-closure cost estimate in current dollars or by using an inflation factor derived from the most recent Implicit Price Deflator for the Gross National Product published by the U.S. Department of Commerce in its Survey of Current Business.

The staff of the Division of Financial Responsibility & Business Process Improvement, utilizing data published by the U.S. Department of Commerce, has projected the inflation factor to be used for **2017** inflation adjustments as **1.30%**. The amount of your financial assurance instrument(s) from the **Year 2016** must be multiplied by **1.0130**. The permitted facility and/or the Department may reserve the right to adjust this figure later based upon revised data released by the U.S. Department of Commerce during the year.

**Effective immediately, any County or Municipal Contract in Lieu of Performance Bond incurring an annual inflation adjustment shall not be processed by amendment until the cumulative amount of the adjustment(s) equals or exceeds TEN THOUSAND DOLLARS (\$10,000.00). This is a change from the previous threshold of Five Thousand Dollars (\$5,000.00). For example, if the inflation adjustment is \$4,000 in year one, \$5,000 in year two, and \$6,000 in year three, the amendment will be processed in year three when the total of adjustments exceeds \$10,000. We will continue to send your inflation adjustment figures annually for your records whether or not a contract amendment is required.**

Please review the amount(s) for each permit listed below. If any changes or modifications to your permit(s) have occurred, please contact us as soon as you receive this letter. The due date(s) and projected amount(s) for the inflation adjustment(s) of your financial instrument(s) are as follows:

2017 Inflation Adjustment **REQUIRED**

Facility Permit No.	Financial Instrument Type & No.	Financial Instrument Anniversary Due Date	Present Amount of Financial Assurance On File	Inflation Adjustment/ Increase Required	Inflation Adjustment and Allowable Post-Closure Reduction	Total Required Amount of Financial Assurance
SNL180000206	Contract	10/22/17	\$ 543,727.20	\$ 0.00	\$ 54,131.06	\$ 489,596.14

Please see the attached spreadsheets, which list in detail the amount of financial assurance required due to the 2017 annual inflation adjustment and/or post closure reduction (if applicable) for your permit(s). The spreadsheets also list the current amount of financial assurance on file for each permit.

**PLEASE NOTE**

- (1) **Any County and/or Municipal Contract In Lieu of Performance Bonds incurring an annual inflation adjustment shall not be processed by amendment until the amount of the adjustment equals or exceeds TEN THOUSAND DOLLARS (\$10,000.00).**

Please submit the inflation adjusted financial instrument(s) to the Division of Financial Responsibility & Business Process Improvement to my attention at the address listed on the letterhead as indicated above. If you have any questions, please call me at (615) 532-8571, or you may email me at [Debra.Long@tn.gov](mailto:Debra.Long@tn.gov).

Respectfully,

Debra F. Long, Financial Analyst

CC: Bryant Stephens, Manager of Solid Waste Management, Cookeville Field Office, TDEC

Enclosures: Customer Information Data Sheet, Summary Spreadsheet, Detailed Financial Assurance Information

**Amendment of Contract in Lieu of Performance Bond**

Whereas, the **City of Crossville** and the State of Tennessee Department of Environment and Conservation, entered into a Contract in Lieu of Performance Bond for proper operation and closure and/or post-closure of the **City of Crossville Sanitary Landfill**, Permit Number **SNL180000206**; and

Whereas, said contract included a provision allowing the Commissioner of Environment and Conservation to collect up to **\$ 543,727.20** from any funds being disbursed or to be disbursed from the State to the **City of Crossville** as financial assurance for said proper operation, closure and post-closure; and

Whereas, the State and the **City of Crossville**, desire to change the amount of said financial assurance from **\$ 543,727.20** to **\$ 489,596.14**.

Paragraph 3 of the Agreement in Lieu of Performance Bond is amended as follows:

The figure "**\$ 543,727.20**" is deleted and the figure "**\$ 489,596.14**" is substituted in lieu thereof.

Date of Amendment to Contract \_\_\_\_\_

**(Must have date of Official's signature)**

\_\_\_\_\_  
Commissioner  
Department of Environment  
& Conservation

\_\_\_\_\_  
Title: **Mayor**  
City of: **Crossville**

\_\_\_\_\_  
Commissioner  
Department of Finance  
& Administration

\_\_\_\_\_  
Title \_\_\_\_\_  
County of: \_\_\_\_\_

\_\_\_\_\_  
Title: \_\_\_\_\_  
For: \_\_\_\_\_

**(Please Type or Complete Form in Ink and Submit Three (3) Signed Originals of this Document)**