



STATE OF TENNESSEE  
**DEPARTMENT OF ENVIRONMENT AND CONSERVATION**

Division of Financial Responsibility  
 William R. Snodgrass Tennessee Tower  
 312 Rosa Parks Ave., 10<sup>th</sup> Floor  
 Nashville, TN 37243

August 7, 2013

The Honorable J. H. Graham  
 City of Crossville Mayor  
 392 N. Main Street  
 Crossville, Tennessee 38555

RE: Annual Inflation Adjustment of the financial assurance for the **City of Crossville Sanitary Landfill, Permit # SNL 18-0206** as required by the Regulations of the Division of Solid Waste Management.

Dear Mayor Graham:

**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.**

The staff of the Financial Responsibility Group utilizing data published by the U. S. Department of Commerce has projected the GNP (Gross National Product) inflation factor to be used for the inflation adjustments and renewals required before *March 31, 2013*. Our projection of the inflation factor to be used is **1.9%**. The amount of your financial assurance instrument(s) from the Year 2012 must be multiplied by **1.019**. The permitted facility and/or the Department may reserve the right to adjust this figure later based upon the actual inflation factor published by the U.S. Department of Commerce. The U. S. Department of Commerce does not make this information available until late March of each 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). 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) listed 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:

**Inflation Adjustments NOT REQUIRED for 2013**

Facility Permit #:	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:
SNL 18-0206	Contract	10-27-13	\$ 738,893.00	\$	\$ 43,879.00	\$ 695,014.00

Mayor Graham  
City of Crossville  
August 7, 2013  
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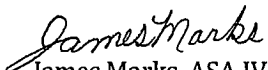
Please see the attached spreadsheets, which list in detail the amount of financial assurance required due to the 2013 annual inflation adjustment and/or post closure reduction (if applicable) for your permit(s). The spreadsheets also list the current amount of financial assurance on file for each permit.

**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).**

If you have any questions, please call me at (615) 532-0848. Please submit the inflation adjusted financial instrument to the Financial Responsibility Group at the address listed on the letterhead as indicated above.

Respectfully,

  
James Marks, ASA IV  
Municipal & County Contract Administrator  
Division of Financial Responsibility

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

Enclosure: Customer Information Spreadsheet, Contract Example and blanks

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

Whereas City of Crossville and the State of Tennessee Department of Environment and Conservation, entered into Contract in Lieu of Performance Bond (Copy attached) for proper operation and closure and/or post-closure of the Crossville Sanitary Landfill Register Number SNL 18-0206; and

Whereas, said contract included a provision allowing the Commissioner of Environment and Conservation to collect up to \$ 738,893.00 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 City of Crossville desire to change the amount of said financial assurance from \$ 738,893.00 to \$ 695,014.00.

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

The figure “\$ 738,893.00” is deleted and the figure “\$ 695,014.00” is substituted in lieu thereof.

Date of Amendment to Contract \_\_\_\_\_, **2013**.

\_\_\_\_\_  
Commissioner  
Department of Environment  
and Conservation.

\_\_\_\_\_  
Title Mayor  
For the City of Crossville

\_\_\_\_\_  
Commissioner  
Department of Finance  
and Administration

\_\_\_\_\_  
Title \_\_\_\_\_  
For the County of \_\_\_\_\_

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

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