



STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
Division of Financial Responsibility
Eighth Floor, L & C Annex
401 Church Street
Nashville, TN 37243
(615) 532-0851

September 10, 2012

The Honorable J. H. Graham
City of Crossville Mayor
99 Municipal Avenue
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, 2012*. Our projection of the inflation factor to be used is **2.4%**. The amount of your financial assurance instrument(s) from the Year 2011 must be multiplied by **1.024**. 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 **REQUIRED** for 2012

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	10-27-12	\$ 777,081.00	\$	\$ 38,188.00	\$ 738,893.00


Please see the attached spreadsheets, which list in detail the amount of financial assurance required due to the 2010 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 TNE 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
Financial Responsibility Group

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

Enclosure: Customer Information Spreadsheet, Example Contract, Blanks

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 (Copy attached) for proper operation and closure and/or post-closure of the **City of Crossville Sanitary Landfill**, Registration Number **SNL 18-0206**; and

Whereas, said contract included a provision allowing the Commissioner of Environment and Conservation to collect up to **\$ 777,081.00** 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 the **City of Crossville** desire to change the amount of said financial assurance from **\$ 777,081.00** to **\$738,893.00**.

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

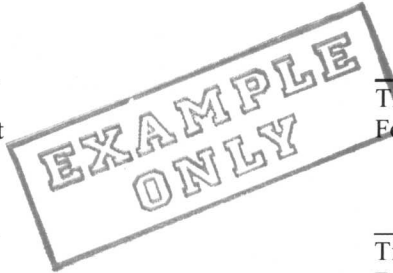
The figure "**\$ 777,081.00**" is deleted and the figure "**\$ 738,893.00**" is substituted in lieu thereof.

Date of Amendment to Contract September 10, 2012.

(Must have date of Official's signature)

Commissioner
Department of Environment
and Conservation

Commissioner
Department of Finance
and Administration



Title **Mayor**
For the City of: **Crossville**

Title _____
For the County of: _____

Title _____
For _____

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