



STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION

Division of Financial Responsibility
William R. Snodgrass Tennessee Tower
312 Rosa L. Parks Ave., 10th Floor
Nashville, TN 37243
(615) 532-0851

August 15, 2016

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

RE: 2016 Annual Inflation Adjustment of the financial assurance for *the City of Crossville Sanitary Landfill, Permit No. SNL181030206* 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.

The staff of the Financial Responsibility Group, utilizing data published by the U. S. Department of Commerce, has projected the inflation factor to be used for 2016 inflation adjustments as **1.20%**. The amount of your financial assurance instrument(s) from the Year 2015 must be multiplied by **1.0120**. 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). 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 Adjustment for 2016

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:
SNL181030206	Contract	10-27-16	\$ 596,977.61		\$ 53,250.40	\$ 543,727.20

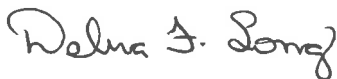
Please see the attached spreadsheets, which list in detail the amount of financial assurance required due to the 2016 annual inflation adjustment and/or post closure reduction (if applicable) for your permit(s). The spreadsheets also list the current amount of financial assurance on file for each permit.

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) 532-8571, or you may email me at Debra.Long@tn.gov.

Respectfully,



Debra F. Long, ASA 4
County and Municipal Contract Administrator
Division of Financial Responsibility

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

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 SNL181030206; 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 \$ 596,977.61 to \$ 543,727.20.

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

The figure "\$ 596,977.61" is deleted and the figure "\$ 543,727.20" is substituted in lieu thereof.

Date of Amendment to Contract _____, 2016.

(Must have date of Official's signature)

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 Three (3) Signed Originals of this Document)