



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

December 14, 2017

Mr. Kenny Wiggins  
Public Services Director  
725 Universal Street  
Alcoa, TN 37701

The Honorable Donald Mull  
Mayor of Alcoa, TN  
223 Associates Blvd.  
Alcoa, Tennessee 37701-1943

The Honorable Tom Taylor  
Mayor of Maryville, TN  
404 West Broadway  
Maryville, Tennessee 37801-4710

The Honorable Ed Mitchell  
Blount County Mayor  
Courthouse, 341 Court Street  
Maryville, Tennessee 37804

RE: 2018 Annual Inflation Adjustment of the Financial Assurance for the *City of Alcoa/City of Maryville/Blount County Landfills, Permit Nos. DML05000091 North Area, DML05000091 South Area, and SNL050000105 Original Vertical & Lateral Expansion Phases 1 - 7* as required by the Regulations of the Division of Solid Waste Management

Dear Mr. Wiggins, Mayor Mull, Mayor Taylor, and Mayor Mitchell:

**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 **2018** inflation adjustments as **1.80%**. The amount of your financial assurance instrument(s) from the **Year 2017** must be multiplied by **1.0180**. 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 \$4,000.00 in year one, \$5,000.00 in year two, and \$6,000.00 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:

**2018 Inflation Adjustments**

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
DML050000091 North Area	Contract	03/01/18	\$ 337,470.29	\$ 6,074.46	\$ 0.00	\$ 343,544.75
DML050000091 South Area	Contract	03/01/18	\$ 1,197,911.65	\$ 21,562.41	\$ 0.00	\$ 1,219,474.06
SNL050000105	Contract	02/10/18	\$ 11,444,655.43	\$ 206,003.80	\$ 0.00	\$ 11,650,659.23

Please see the attached spreadsheets, which list in detail the amount of financial assurance required due to the **2018** 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).**

**Mr. Wiggins**, please review the Amendments of Contract in Lieu of Performance Bonds, and upon your approval, have five (5) originals of each Amendment dated and signed by Mayor Mull, Mayor Taylor and Mayor Mitchell, to be returned to this office.

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

Debra F. Long, Financial Analyst