



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

December 21, 2018

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: 2019 Annual Inflation Adjustment of the Financial Assurance for the *City of Alcoa/City of Maryville/Blount County Landfills*, Permit Nos. **DML050000091 North Area**, **DML050000091 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 Assurance & Business Process Improvement, utilizing data published by the U. S. Department of Commerce, has projected the inflation factor to be used for **2019** inflation adjustments as **2.30%**. The amount of your financial assurance instrument(s) from the **Year 2018** must be multiplied by **1.0230**. 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 \$10,000.00. We will continue to send your inflation adjustment figures annually for your records whether or not a contract amendment is required.

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

2019 Inflation Adjustment(s)

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	03/01/19	\$ 343,544.75	\$ 7,901.53	\$ 0.00	\$ 351,446.28
DML050000091 South Area	Contract	03/01/19	\$ 1,219,474.05	\$ 28,047.91	\$ 0.00	\$ 1,247,521.96
SNL050000105 Original Vertical & Lateral Expansion Phases 1 - 7	Contract	02/10/19	\$ 11,650,659.23	\$ 267,965.17	\$ 0.00	\$ 11,918,624.40

Please see the attached spreadsheets, which list in detail the amount of financial assurance required due to the **2019** 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) If you have been advised by the TDEC Field Office that the required post-closure activities at a permitted site listed herein have not been performed to the satisfaction of the Field Office Staff, do not reduce your financial assurance instrument until the Field Office has approved the performance of the required post-closure work.**

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 Assurance & 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.

Very Respectfully,

Debra F. Long

Debra F. Long, Financial Analyst

CC: Revendra Awasthi, Manager of Solid Waste Management, Knoxville Field Office, TDEC

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

<http://tn.gov/environment/section/fin-financial-responsibility>